

CITY OF RIVERSIDE
BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: April 23, 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:	Jo Lynne Russo-Pereyra (Chair)	Dave Austin (Vice Chair)
	David Crohn	Kevin Foust
	Jeanette Hernandez	Gil Ocegueda
	Jennifer O'Farrell	Andrew Walcker

Absent: Elizabeth Sanchez-Monville (absence due to illness)

CITIZENS PARTICIPATION

1 None.

CONSENT CALENDAR

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

Motion – O'Farrell. Second – Ocegueda.

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

Absent: Elizabeth Sanchez-Monville (absence due to illness)

Minutes

- 2 The minutes from the Board of Public Utilities special meeting held on March 29, 2018 was approved as submitted.
- 3 The minutes from the Board of Public Utilities regular meeting held on April 9, 2018 was approved as submitted.

Board Attendance

- 4 EXCUSE BOARD MEMBER ELIZABETH SANCHEZ-MONVILLE ABSENCE FROM THE SPECIAL MEETING OF THE BOARD OF PUBLIC UTILITIES ON MARCH 29, 2018

The Board of Public Utilities excused Board Member Elizabeth Sanchez-Monville absence from the Board of Public Utilities special meeting of March 29, 2018 because she was on vacation.

- 5 EXCUSE BOARD MEMBER JENNIFER O'FARRELL ABSENCE FROM THE SPECIAL MEETING OF THE BOARD OF PUBLIC UTILITIES ON MARCH 29, 2018

The Board of Public Utilities excused Board Member Jennifer O'Farrell absence from the Board of Public Utilities special meeting on March 29, 2018 because of illness.

Electric Items

- 6 ELECTRIC POWER POLE REPLACEMENT FOR THE PUBLIC WORKS SELKIRK AVENUE STREET IMPROVEMENT PROJECT – APPROVE WORK ORDER NO. 1823375 FOR \$104,000

The Board of Public Utilities approved the estimated capital expenditure of \$104,000 for Work Order No. 1823375 for electric utility pole replacement for the Public Works Selkirk Avenue Street Improvement Project.

- 7 ADOPT A RESOLUTION WAIVING FORMAL COMPETITIVE BIDDING REQUIREMENTS; APPROVE A MASTER AGREEMENT FOR ELECTRIC UTILITY CONSTRUCTION WORK FOR VARIOUS CITY LOCATIONS ON AN AS-NEEDED BASIS; AND AWARD RFP NO 1784 FOR ELECTRIC UTILITY WORK PROVIDING CONSTRUCTION, MAINTENANCE, AND REPAIR OF ELECTRICAL UTILITY DISTRIBUTION, TRANSMISSION, AND SUBSTATION FACILITIES INCLUDING COMMUNICATIONS AND CONTROL SYSTEMS FOR VARIOUS LOCATIONS ON AN AS-NEEDED BASIS

The Board of Public Utilities recommended that the City Council:

1. Adopt a resolution, by at least five affirmative votes, waiving the formal competitive procurement requirements of Section 1109 of the City Charter for the bidding and award of utility construction projects under \$500,000 under the Master Agreements for Electrical Utility Construction Work for Various City Locations on an As-needed Basis and authorizing the City Manager, or his designee, to award such construction projects;
2. Approve a Master Agreement for Electrical Utility Construction Work for Various City Locations on an As-Needed Basis, for an initial term of five years and three optional one-year extensions;
3. Award Request for Proposals No. 1784 for Electric Utility Work Providing Construction, Maintenance and Repair of Electrical Utility Distribution, Transmission and Substation Facilities Including Communications and the Control of Systems for Various City Locations on an As-Needed Basis to the responsive and responsible contractors as noted in the staff report; and

4. Authorize the City Manager, or his designee, to execute the Master Agreement for Electrical Utility Construction Work for Various City Locations on an As-Needed Basis with responsive and responsible contractors as noted in the staff report, including making minor and non-substantive changes, and the three optional one-year extensions to the Master Agreement for Electrical Utility Construction Work for Various City Locations on an As-Needed Basis.

- 8 AWARD BID NO. 7534 TO RACEWAY FORD, INC. OF RIVERSIDE, CALIFORNIA FOR THE PURCHASE OF FIVE NEW MODEL YEAR, FORD F350 E85 FLEX FUEL POWERED SUPER CAB TRUCKS FOR THE PUBLIC UTILITIES ELECTRIC PRODUCTION AND OPERATIONS DIVISION IN THE TOTAL AMOUNT OF \$218,446.38

The Board of Public Utilities awarded Bid No. 7534 to Raceway Ford, Inc., Riverside, California, for the purchase of five new model year, Ford F350 E85 flex fuel powered super cab trucks for the Public Utilities Electric Production and Operations Division in the total amount of \$218,446.38.

Water Items

- 9 RFP NO. 1720 SERVICES AGREEMENT FOR BOOSTER STATION PUMP AND MOTOR REPAIRS WITH LEGEND PUMP & WELL SERVICE, INC., OF RIVERSIDE, CALIFORNIA FOR A TERM OF THREE YEARS, FOR AN AMOUNT NOT-TO-EXCEED \$500,000

The Board of Public Utilities:

1. Approved a Services Agreement with Legend Pump & Well Service, Inc., of Riverside, California, from Request for Proposals No. 1720, for a three-year term, for an amount not-to-exceed \$500,000; and
2. Authorized the City Manager, or his designee, to execute the Services Agreement with Legend Pump & Well Service, Inc., including making minor and non-substantive changes and to sign all documents and instruments necessary to complete the transactions.

- 10 RFP NO. 1721 – SERVICES AGREEMENT FOR WELL PUMP AND MOTOR REPAIRS WITH TRI COUNTY PUMP COMPANY, OF SAN BERNARDINO, CALIFORNIA, FOR WELL PUMP AND MOTOR REPAIRS FOR A TERM OF THREE YEARS, FOR AN AMOUNT NOT-TO-EXCEED \$600,000

The Board of Public Utilities:

1. Approved a Services Agreement with Tri County Pump Company, of San Bernardino, California, from Request for Proposals No. 1721, for a three-year term, for an amount not-to-exceed \$600,000; and
2. Authorized the City Manager, or his designee, to execute the Services Agreement with Tri County Pump Company, including making minor and non-substantive changes and to sign all documents and instruments necessary to complete the transactions.

- 11 CANAL PARCEL LICENSE AGREEMENT WITH MASJED OF RIVERSIDE, ISLAMIC CENTER, FOR USE OF 1045 LINDEN AVENUE AND A PORTION OF THE GAGE CANAL FOR A FIVE-YEAR TERM WITH ONE FIVE-YEAR OPTION TO EXTEND – IN THE MINIMUM AMOUNT OF \$96,367.38

The Board of Public Utilities recommended that the City Council:

1. Approve the Canal Parcel License Agreement with Masjed of Riverside, Islamic Center, for use of 1045 Linden Avenue and a portion of the Gage Canal for a five-year term with one five-year option to extend – in the minimum amount of \$96,367.38; and
2. Authorize the City Manager, or his designee, to execute the Canal Parcel License Agreement with Masjed of Riverside, including making minor non-substantive changes, to sign all documents necessary to complete the transaction, and the optional one five-year option to extend the agreement.

DISCUSSION CALENDAR

- 12 CITY OF RIVERSIDE PUBLIC UTILITIES DEPARTMENT OVERTIME PERFORMANCE AUDIT REPORT BY INDEPENDENT CONSULTING FIRM MACIAS GINI & O'CONNELL LLP (MGO) BUSINESS ADVISORY DIVISION

City Auditor Cheryl Johannes reported on the performance audit report from Macias Gini O'Connell LLP and answered questions from the Board.

Following discussion, the Board of Public Utilities received a performance audit report from Macias Gini O'Connell LLP (MGO) Business Advisory Division on the management of overtime within the Electric Division's Energy Delivery Section.

Motion – Austin. Second – Crohn.

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

Absent: Elizabeth Sanchez-Monville (absence due to illness)

- 13 CITY OF RIVERSIDE PUBLIC UTILITIES DEPARTMENT OPERATIONAL IMPROVEMENTS AND EFFICIENCIES

Interim General Manager Todd Jorgenson reported on the Public Utilities Department operational improvements and efficiencies and answered questions.

The Board stressed the importance of maintaining the focus of Utility 2.0 Vision that has been documented in the past strategic planning workshops.

The Board discussed continuing this item for 60 days in order that the item be referred to the PU Finance/Customer Engagement Committee for review of the elimination of the Deputy Manager position, two AGM positions and a Principal HR Analyst position; the move of four FTEs of the Workforce Development to the City's HR department; and the move of six FTEs of Marketing/Communication to the City Manager's office. The Board also requested that staff from the City's HR, Communications, & IT Departments brief the PU Finance/Customer Engagement Committee as to the services that will be provided to RPU by these departments.

Following discussion, the Board of Public Utilities requested this issue be continued for 60 days after the PU Finance/Customer Engagement Committee has reviewed this report on the operational improvements and efficiencies the City of Riverside Public Utilities Department has implemented in the last twelve months.

Motion – Austin. Second – Walcker.

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

Absent: Elizabeth Sanchez-Monville (absence due to illness)

14 RIVERSIDE PUBLIC UTILITIES PROPOSED BUDGET FOR FISCAL YEARS 2018/19 AND 2019/20

Interim General Manager Jorgenson and Assistant General Managers Nomura, Hanson, and Plinski reported on each of their divisions regarding the proposed budget for FYs 2018/19 and 2019/20 and answered questions from the Board.

The Board discussed adding the following language at the end of Recommendation 1:

"with the exception of the proposed reduction and/or transfer to the General Fund of 14 RPU positions in the administration, human resources, and marketing functions of RPU, pending consideration of that issue by the PU Finance/Customer Engagement Committee."

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

1. Approve the Electric Funds (including Public Benefits Fund) proposed FY 2018/19 budget totaling \$385.1 million in revenues, \$396.6 million in operating expenditures and \$32.7 million in capital improvements and proposed FY 2019/20 budget totaling \$399.8 million in revenues, \$416.8 million in operating expenditures and \$34.7 million in capital improvements. The difference between revenues and expenditures including capital improvements will be covered by bond proceeds and reserves, with the exception of the proposed reduction and/or transfer to the General Fund of 14 RPU positions in the administration, human resources, and marketing functions of RPU, pending consideration of that issue by the PU Finance/Customer Engagement Committee;
2. Authorize the use of the Designated Electric Fund Capital Repair/Replacement Reserve for technology replacements in the amount of \$200,000 per year for FY 2018/19 and FY 2019/20;
3. Authorize the use of the Designated Electric Fund Dark Fiber Reserve for dark fiber leasing operating expenses in the amount of \$600,000 per year for FY 2018/19 and FY 2019/20;
4. Authorize the use of the Designated Electric Fund Mission Square Improvement Reserve for Mission Square facility improvements in the amount of \$600,000 and \$225,000 for FY 2018/19 and FY 2019/20, respectively; and

5. Approve the Water Funds (including Water Conservation Fund) proposed FY 2018/19 budget totaling \$76.6 million in revenues, \$70.7 million in operating expenditures and \$22.8 million in capital improvements and proposed FY 2019/20 budget totaling \$81.7 million in revenues, \$75.3 million in operating expenditures and \$18.9 million in capital improvements. The difference between revenues and expenditures including capital improvements will be covered by bond proceeds and reserves.

Motion – Walcker. Second – O’Farrell.

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

Absent: Elizabeth Sanchez-Monville (absence due to illness)

BOARD MEMBER/STAFF COMMUNICATIONS

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

Board Member David Crohn encouraged the rest of the Board Members to go on the tour of the RTRP route with staff because it is very educational.

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

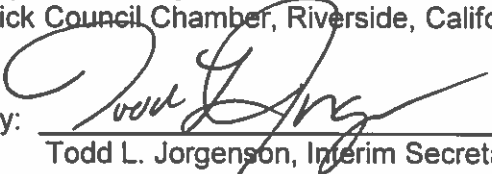
- RPU Board reports should not go on the City Council agenda the day after the Board has reviewed and approved them.
- Postpone the PU General Manager appointment until a new City Manager has been appointed.

GENERAL MANAGER’S REPORT

- 17 Safety Update
- 18 Monthly Legislative Summary
- 19 Riverside Public Utilities Financial Results – February 28, 2018
- 20 City Council / Committee Agendas – April 10, 2018 and April 17, 2018
- 21 Open Work Orders over \$200,000 and Closed Work Orders – Summary Report for March 2018
- 22 Upcoming Meetings
- 23 Electric / Water Utility Acronyms
- 24 Contracts Executed Without Board Approval / \$25,000 and \$50,000 Update – PU Department Approves – March 2018
- 25 Electric / Water / Consultant Contract Panel Update as of April 1, 2018

UPCOMING MEETING

Board Chair Jo Lynne Russo-Pereyra adjourned the meeting at approximately 9:05 p.m. The next regular meeting of the Board of Public Utilities will be on Monday, May 14, 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: May 14, 2018