

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

716



FROM: Economic Development Agency

SUBMITTAL DATE:
July 29, 2010

SUBJECT: Approval of Board Policy H-32, Countywide Utilities

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Board Policy H-32, Countywide Utilities; and,
2. Direct EDA to return with any budget adjustments as a result of this policy during the FY 10/11 First Quarter Report.

BACKGROUND: In response to Board direction through the SCRAPE program, EDA has prepared a countywide utility policy to ensure maximum savings of energy costs. With the approval of Board Policy H-32, the Economic Development Agency's Energy Division will be the responsible department for all county utilities, which include sewer, electricity, water, natural gas, refuse and propane. Exemptions to this policy apply to telephone and data related communication charges, street lights, and traffic signals.

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

Dept Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: District: ALL **Agenda Number:** 5.26

BACKGROUND: (Continued)

Accounts processed through certain specialized units of the county, such as Flood Control, County Service Areas and the Regional Park and Open-Space District, are also exempted, but are encouraged within the policy to work with EDA's Energy Division to participate in the county's various utility rate pools or future energy projects. Riverside County Regional Medical Center is also exempted from this policy, but is encouraged to participate in any utility plans or energy projects afforded the county.

Utility services within the county have generally been under the purview of EDA's Energy Division. EDA is proposing a more streamlined and uniform approach to utility costs associated with county-owned and leased facilities.

Currently, EDA processes invoices on a monthly basis for more than 730 utility accounts. The accounts are for sewage, water, refuse, electrical and gas service at various buildings. This figure does not include accounts that will be established for new facilities coming on line, such as the Jurupa Animal Services building, Smith Correctional facility, and the San Jacinto Animal Services building, among others. Street lights, traffic signals, and some telephone and data related communication accounts are not processed through the Energy Division and are thus exempted from this proposal.

Many facilities are leased and may have utilities as part of the monthly lease cost or in some cases where utilities are paid directly by the county, are processed through the Energy Division. It is unknown how many additional accounts will be transitioned over to EDA, therefore, any budget adjustments that may occur from this policy will be addressed during the FY 10/11 First Quarter Budget Report.

The approval of Board Policy H-32, Countywide Utilities, will ensure the following:

- Identify energy savings spread over multiple county facilities;
- Safety of tenants of facilities so that proper notification of planned and unplanned outages can be disseminated;
- Monitor utility rates and trends throughout the county;
- Identify potential countywide energy savings projects;
- Promotes energy conservation consciousness to county departments and reinforces Board Policy H-4; and,
- Costs previously unrecovered can be recovered by other funding sources, such as grants, federal and state revenue or other non-county revenue.

EDA's Energy Division performs the following tasks for utility processing: bill payments, bill auditing, billing problem resolution, preparation of annual budget projections by departments, monitoring of meter usage, customized reporting and energy contract negotiations. Upon approval of Board Policy H-32, utility bills not currently processed by EDA will be transferred over in the most expeditious manner available.

(Continued)

BACKGROUND: (Continued)

Additionally, the Energy Division has been instrumental in the grant award of \$6.5 million dollars to Riverside County through the U.S. Department of Energy by working with departments to develop a list of projects eligible for funding through the grant. The list was approved by the Board on November 24, 2009. The division will be working to monitor the progress of the projects, fulfilling and monitoring reporting requirements and ensure that overall grant compliance is achieved.

To prevent duplication of effort by multiple county departments, the Energy Division's oversight of utility and energy expenses are vital to saving the county money over the long term. Approval of Policy H-32 reinforces the county's commitment to energy savings.

**COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISOR'S POLICY**

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Purpose:

The purpose of this policy is to provide a consistent and uniform approach for utilities in county facilities, such as sewer, electricity, gas (natural and propane), water and refuse.

Policy:

Authority:

Pursuant to this policy, all utilities in facilities countywide (either owned or leased) shall be the responsibility of the Economic Development Agency's Energy Division. This shall ensure a uniform and consistent approach to utility costs within county-owned and leased facilities. The Economic Development Agency will process all utility bills and subsequently charge said bills to applicable county departments. EDA's Energy Division will coordinate the establishment of new accounts resulting from expansion or new space occupied by county departments, who will then in turn be charged for their utility usage. Projected utility costs will be sent to departments on an annual basis through the annual budget process. This Board Policy provides the following benefits:

- a. Reinforcement of Board Policy H-4, Conservation of Energy;
- b. Promotion of energy conservation consciousness to county departments;
- c. Utility costs previously unrecovered can be recovered by other funding sources, such as grants, federal and state revenue or other non-county revenue;
- d. Maximize county leverage by negotiation of utility rates through one central agency;
- e. Identify energy savings through monitoring of meter usage to ensure costs are correctly applied;
- f. Identify any potential energy projects that will benefit multiple departments or the county as a whole;
- g. Give energy providers one central point of contact for contracts, billings and potential energy programs.

Exemptions from this Policy:

**COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISOR'S POLICY**

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1. Street lights and traffic signal accounts;
2. Telephone and data-related communication charges;

3. Accounts processed through component units of the County, such as Flood Control, Housing Authority, County Service Areas, Regional Parks and Open-Space District, among others; and,
4. Accounts processed through the Riverside County Regional Medical Center (RCRMC).

It is recommended that the component units and RCRMC work with EDA's Energy Division to ensure their energy rates are the same as the County's and foster participation in any energy savings programs that are available.