



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, MARCH 23, 2009 – 6:30 P.M.

The Utility Board/City Council of the City of Azusa met in regular session, at the above date and time, at the Azusa Light and Water Conference Room, located at 729 N. Azusa Avenue, Azusa, California.

Chairman Carrillo called the meeting to order.

Call to Order

ROLL CALL

Roll Call

PRESENT: BOARD MEMBERS: GONZALES, CARRILLO, MACIAS, HANKS, ROCHA
ABSENT: BOARD MEMBERS: NONE

ALSO PRESENT:

Also Present

City Attorney Ferre, City Manager Delach, Assistant City Manager Makshanoff, Director of Utilities Hsu, Assistant to the Utilities Director Kalscheuer, Director of Resource Management Tang, Police Captain Momot, Assistant Director of Water Operations Anderson, Public Works Director/Assistant City Manager Haes, City Clerk Mendoza, Deputy City Clerk Toscano.

Election of Officers

Elect of
Officers

Moved by Board Member Hanks, seconded by Board Member Carrillo and unanimously that Board Member Macias be nominated and appointed as Chairperson of the Utility Board.

Macias
Chairperson

Moved by Board Member Rocha, seconded by Board Member Carrillo and unanimously carried that Board Member Gonzales be nominated and appointed as Vice Chairperson of the Utility Board.

Gonzales
Vice Chair

Public Participation

Pub Part

Mr. Jorge Rosales addressed items C-4 and C-5 regarding awarding contracts for professional services and certain criteria that should be followed; he also asked about a survey cost that is not identified as part of the bid. With regard to item C-6 Request for Proposals for Water Main Project to provide inspection services, he noted that the item fails to identify the type of firms being sought.

J. Rosales
Comments

Assistant Director of Water Operations Anderson responded to questions stating that the total proposal prices varied as one consultant to another and were compared as to scope, experience, cost, completion time, hours estimated and comparative cost per hour and their statement of qualification.

C. Anderson
Response

The **CONSENT CALENDAR** consisting of Items C-1 through C-10, was approved by motion of Board Member Hanks, seconded by Board Member Carrillo and unanimously carried, with the exception of items C-5 and C-9 which were considered under the Special Call portion of the Agenda. Staff noted the change in sales tax to item C-2; noting when item is delivered it will be with the new sales tax rate. Board Member Rocha abstained from item C-1, as we was absent from that meeting.

Consent Cal
C1 – C10
Change to item
C2. C-5 & 9
Spec Call

1. The minutes of the regular meeting of February 23, 2009, were approved as written. Min appvd
2. Approval was given for the purchase of 55” insulating aerial truck from Truck Hydraulic Equipment Company of Fontana, California, in the amount not-to- exceed \$301,665.69 including sales tax. **It was noted that there will be an increase in sales tax which will bring total to \$305,845.81.** Bids Wtr Main
Cement
Relining Prjt
3. Authorization was given for the advertisement for and solicitation of bids for Project W-263, Water Main Cement Relining Project in various streets in the cities of Azusa, Covina, West Covina, and Los Angeles County. Hall &
Foreman
Consulting svcs
4. Approval was given to award contract for consultant design services for Project W-265, Pipeline Replacement Project in Cities of West Covina and Covina, to Hall & Foreman Incorporated in amount of \$99,800 (including \$16,800 for survey). RBF
Consulting
Design svcs
5. SPECIAL CALL ITEM. Spec Call
6. Authorization was given to staff to solicit proposals from qualified consultants to provide inspection services for Project WV-262, Water Main Replacement Project in Rowland Avenue in West Covina. RFP Inspect
Svs
7. The Second Addendum to Option Settlement Agreement Between Northrop Grumman, Cemex, Azusa Land Reclamation and the City of Azusa, was approved and the City Manager was authorized to sign on behalf of the City. Second Add
Northrop
8. Staff was authorized to procure an outage insurance coverage for San Juan Unit 3 for the coverage period commencing July 1, 2009 through June 30, 2010 at a cost-not-to-exceed \$100,000 and subject to credit worthiness check of the insurer. Outage Ins
San Juan Unit
9. SPECIAL CALL ITEM. Spec Call
10. The reimbursable addition of \$20,000 to Civiltec Engineering Incorporated contract for continued inspection services on the Rosedale Water Reservoirs and Pump Stations project was approved. Reimbursable
Addition
Civiltec

SPECIAL CALL ITEMS

Special Call

Board Member Gonzales addressed item regarding award of consultant Design Services for Pipeline Replacement Project W-266, asking the scope of the project and how many days it’s going to take. Assistant Director of Water Operations Anderson responded stating that it was based on several issues, i.e. man-hours and total cost. Moved by Board Member Carrillo, seconded by Board Member Hanks and carried by roll call to approve the award of contract for consultant design services for Project W-266, Pipeline Replacement Project in Cities of Azusa and West Covina, to RBF Consulting in amount of \$113,414 (including \$29,106 for survey and \$6,018 for bid services). Board Member Gonzales dissenting.

Inspection Svcs
Solicit prop

Board Member Carrillo addressed the purchase of office furniture reminding staff that include local businesses in the request for proposals and asked that in the future they be included. Moved by Board Member Carrillo, seconded by Board Member Hanks and unanimously carried to approve the purchase of WTP office furniture for the plant operations and management building from Office Furniture Group (OFG) in amount of \$24,996.10 including tax and delivery.

Office Furn.
Grp WTP

STAFF REPORTS/COMMUNICATIONS

Staff Rpts

Director of Utilities Hsu presented the Monthly Update on Water Treatment Plant stating that the Canyon Water Filtration Plant Project is nearing completion but a permit needs to be acquired from the California Department of Public Health which is having problems with shortage of manpower as well as an influx of funding applications which require a quick turnaround. The project will be substantially complete at the end of March but the Health Department probably won't deliver the permit until June. Additional discussion was held regarding obtaining an air quality permit to operate Emergency Back up Generator which the AQMD advised was below the minimum threshold and would cost about \$2,000.	Monthly WTP Update
Director of Utilities Hsu provided an update on the Drought stating as of last week the City is still below normal for this time of year; that when the rainy season is over in Northern California they will then determine how much water is available as well as snow pack to determine allocation of water to Southern California. The water table aquifers are as good as in 2007, but not sure how much will be available in the fall. He responded to questions regarding the percentage cutbacks by customers; discussion was held about the lack of positive press coverage and the non-release of water to the spreading grounds.	Drought Update
Director of Resource Management Tang provided a report on American Public Power Association (APPA) legislative rally in Washington D.C. Legislative Rally stating that there are three main areas that affect the legislative issues as follows: the Federal Government is counting on Green House Gas allowance sales for revenues for governmental purposes, i.e. to balance their budget; this is a major concern and a major issue. There is a Federal mandate on the renewable standards and California is in the forefront; they are asking that the Federal not duplicate efforts that are in California due to the cost; and finally the Federal Transmission Siting Authority is receiving a lot of attention due to the controversy of nobody wanting transmission lines in their neighborhoods; Congress is looking into the transmission siting issue to see whether federal preemption authority should be given to have eminent domain authority and the debate is in its beginning stages.	APPA Update
Director of Utilities Hsu and Director of Resource Management Tang provided an update on CAISO New Markets stating that as of April 1, the California Independent System Operator will be embarking on a new market structure; there is concern about whether it will be operationally ready based on simulated invoices which have been astronomical; cities will have to pay the bill and then dispute it and ISO will research and refund the money; due to that concern, the municipal utilities are filing a complaint to the Federal Energy Regulatory Commission, about the lack of security safety net in extreme cases.	CAISO New Market Update
Director of Utilities Hsu presented the Quarterly update on the San Juan Fuel Cost Adjustment stating that reserve account is minimum and although the charge exceeds the \$100,000 threshold they will not pass on to customer as it is anticipated that in the next quarter the fuel cost will go down.	San Juan Fuel Cost Adjust
Director of Utilities Hsu presented the Multi-Year Summer Peaking Electric Power Procurement stating that Bob Tang and staff have been successful in engaging in a multi-year transaction on March 17, 2009 for a five-year average of \$68.22/MWh; he quoted prior years and noted the savings.	Summer Elect Power Procurement
Director of Resource Management Tang provided an update on the Lodi Project, stating that the application has been filed with FERC; the location area already has a power project there and public meetings were setup with minimal participation and controversy; bids were sought in November, received from energy providers G.E. and Simmons; the project manager will examine this week with a conference call and recommendation to accept one of the bids; the project is going as planned; major issue is project cost which has gone up from last summer's estimate as much as 30%; project participants are concerned and are seeking additional information into the cost escalations. He responded to questions posed.	Update on Lodi Project
Assistant to the Utilities Director Kalscheuer provided an update on Compliance with State Recycling Mandates for 2007 stating that the City has successfully diverted more than 50% of its waste from landfills and has avoided potential fines of \$10,000 per day since 2001. He talked about the new system which measures how many pounds are disposed of from each city on a pounds-per-person-per-day basis and the loss of waste diversion credit that will result from Puente Hills landfill closure in 2013. He responded to questions posed.	Update on Recycling

DIRECTOR'S COMMENTS

Dir Cmts

Moved by Board Member Carrillo, seconded by Board Member Gonzales and unanimously carried to approve sponsorship of Gladstone High School Football Team in amount of \$200 for equipment, etc.

Spnsrshp
GldstneFtbl

Moved by Board Member Carrillo, seconded by Board Member Gonzales and unanimously carried to approve sponsorship of Gladstone High School Cheer Program in amount of \$200.

Spnsrshp
Gldstn Cheer

An item of subsequent need arose regarding a proposed proclamation in honor of the four slain Police Officers from Oakland California and it was moved by Board Member Carrillo, seconded by Board Member Gonzales and unanimously carried to agendize it.

Item of
Subsequent
need

Moved by Board Member Carrillo, seconded by Board Member Gonzales and unanimously carried to approve the proclamation in honor of the four slain Police Officers from Oakland California to be sent to that City in time for their Memorial on Thursday, March 26, 2009.

Memorial Proc
Oakland
Officers

Chairman Macias asked about the new economic stimulus package and if there were additional funds for green jobs or apply to obtain funds. Director of Utilities Hsu responded stating that staff will be attending workshops and SCAPPA will be having workshops but they are still in the process of finalizing the rules of process for the stimulus package. City Manager Delach advised that the City Engineer and Assistant City Manager/Public Works Haes will be attending a seminar in the near future. Board Member Carrillo advised that there is a workshop to be held in Claremont on Wednesday at 9 a.m.

Macias
Funds from
Economic
Stimulus
Package
funds

Chairman Macias requested that a proclamation be prepared and given for a farewell celebration of Mayor Hammond in Monrovia; it was referred to the April 6, 2009 agenda.

Macias
Agenda Item

Moved by Board Member Carrillo seconded by Board Member Hanks and unanimously carried to adjourn

Adjourn

TIME OF ADJOURNMENT: 7:40 P.M.

SECRETARY

NEXT RESOLUTION NO. 09-C28.