



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, JUNE 22, 2009 – 6:30 P.M.

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

Chairman Macias 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, Director of Resource Management Tang, Assistant to Utilities Director Kalscheuer, Assistant Director Customer Care and Solutions Vanca, Director of Public Works/Assistant City Manager Haes, Assistant Director of Water Operations Anderson, City Treasurer Hamilton, Administrative Services Director-Chief Financial Officer Kreimeier, Controller Michaels-Aguilar, City Clerk Mendoza, Deputy City Clerk Toscano.

Public Participation

Pub Part

Executive Director of the Azusa Chamber of Commerce Irene Villapania presented the Chamber Budget Proposal for 2009-2010, and provided detailed information regarding the document.

I. Villapania
Comments

Eliza Clifford, Region Manager of Southern California Edison, provided an update on the Tehachapi Transmission Project, stating they haven't completed the draft Environmental Impact Report (EIR), and provided a map of the existing right of way, noting they have many energy efficiency programs and projects, and are able to add more renewables to the fuel mix. She responded to questions posed.

E. Clifford
So. Ca. Edison

The **CONSENT CALENDAR** consisting of Items B-1 through B-8, was approved by motion of Board Member Rocha, seconded by Board Member Hanks and unanimously carried with the exception of items B-3 and B-6, which were considered under the Special Call portion of the Agenda.

Consent Cal
B1 – B8
B-3 & 6 Spec

1. The minutes of the regular meeting of May 26, 2009, were approved as written.
2. Approval was given to award a five-year contract to PMR Progressive, LLC for collection services of unpaid utility bills.

Min appvd
Progressive
Collect svcs

- | | | |
|----|---|-------------------------------------|
| 3. | SPECIAL CALL ITEM. | Spec Call |
| 4. | Approval was given to award a contract to J. Fletcher Creamer & Sons, Incorporated for Water Project WV-263, for the Water Main Cement Mortar Relining in the cities of Azusa, Covina, West Covina, Irwindale, and the County of Los Angeles, in amount of \$1,198,103.50. | J. Fletcher Creamer&Sons Prj WV-263 |
| 5. | The Account Holder Registration Agreement with WREGIS for the purpose of tracking generation of City's renewable resources was approved and the Mayor was authorized to execute the agreement. | Acct Hldr Reg Agreement |
| 6. | SPECIAL CALL ITEM. | Spec Call |
| 7. | Azusa Light & Water staff was authorized to (1) prepare, apply and submit a grant application to the Department of Energy, either as a separate entity or in collaboration with others, in an amount not-to-exceed a matching fund contribution of \$1 million for the modernization of electric distribution system; and (2) solicit informal proposals for grant application consulting services and City Manager was authorized to execute Professional Services Agreement subject to review by City Attorney. | Grant Appl. Dept energy |
| 8. | Approval was given to adopt the legislative positions included in this report and to authorize the Mayor to sign letters addressed to legislators to advocate the adopted positions. | Legislative positions |

SPECIAL CALL ITEMS

Special Call

Lengthy discussion was held regarding the open canal deemed a historic resource during the proceedings of the Monrovia Nursery specific Plan and Project and staff was directed to review what was done in the past, look into viable option for the canal and present to Council, it was also to advise previous Council of any changes.

Lic Agmt CIC

Moved by Board Member Gonzales, seconded by Board Member Carrillo and unanimously carried to approve the license agreement with Covina Irrigating Company to use accepted public streets for its water line and that the City Manager be authorized to execute on behalf of the City.

License Agmt w/CIC approved

Board Member Hanks addressed the Resolution regarding any seizure by State from City's Street Maintenance Fund requesting that staff send the resolution with great emphasis on behalf of the Board.

Hanks Comments

Board Member Gonzales offered a Resolution entitled:

A RESOLUTION AUTHORIZING THE CITY ATTORNEY TO COOPERATE WITH THE LEAGUE OF CALIFORNIA CITIES, OTHER CITIES AND COUNTIES IN LITIGATION CHALLENGING THE CONSTITUTIONALITY OF ANY SEIZURE BY STATE GOVERNMENT OF THE CITY'S STREET MAINTENANCE FUND

Res. 09-C51 Challenging Seizure of funds by State

Moved by Board Member Gonzales, seconded by Board Member Carrillo to waive further reading and adopt. Resolution passed and adopted by the following vote of the Board Members:

AYES:	BOARD MEMBERS:	GONZALES, CARRILLO, MACIAS, HANKS, ROCHA
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE

SCHEDULED ITEM

Sched Items

Director of Utilities Hsu and Assistant Director Customer Care and Solutions Vanca presented the Resolution to Modify the Light & Water Rules and Regulations to Resolve Omissions, Inconsistencies with Business Practices, and Allow Lifeline Discount and Third-Party Notification to Apply to All Eligible Customers, detailing the five general areas that were identified.

Dir of Util K. Vanca presented resolution

After lengthy discussion, Board Member Hanks offered a Resolution entitled:

A RESOLUTION OF THE AZUSA UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA, AMENDING THE AZUSA LIGHT & WATER RULES AND REGULATIONS GOVERNING THE ELECTRIC AND WATER SERVICE SUPPLIED BY AZUSA LIGHT & WATER

Res. 09-C52
Amending
L&W Rules

Moved by Board Member Hanks, seconded by Board Member Carrillo to waive further reading and adopt. Resolution passed and adopted by the following vote of the Board Members:

AYES: BOARD MEMBERS: GONZALES, CARRILLO, MACIAS, HANKS, ROCHA
NOES: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS: NONE

STAFF REPORTS/COMMUNICATIONS

Staff Rpts

Director of Utilities Hsu presented information regarding the possibility of the Relocation of Azusa Light & Water Payment Drop Box, stating that one recommendation was to place a box on Azusa Avenue which would take up at least two parking spaces and would cost about \$4,000 plus city permit fees. Concerns were voiced regarding vandalism, identify theft and discussion was held regarding other alternatives. The matter was deferred in order that staff look into the cost of relocating the box closer to the curb and survey the use of the box in the front and back of the Utility building.

Dir of Util
Possible
Relocation
Drop Box

Director of Utilities Hsu presented item regarding E-Billing Practices of Azusa Light & Water, stating that about 10% of customers utilize the function and will provide the Board with a breakdown of residential versus commercial customers.

Update on
E-Billing

Director of Utilities Hsu presented the Main San Gabriel Basin Watermaster Drought Declaration, detailing the contents i.e. the water graph which shows projections through September 30, 2009. He also noted what actions were taken to increase water supply, he responded to questions posed and invited all to tour the local dam.

Drought
Declaration
Watermaster

Director of Utilities Hsu presented the Monthly Update on Water Filtration Plant, stating that they are still waiting for substantial completion notice as there are still items that have to be completed.

Update Water
Filtration Plant

Director of Utilities Hsu presented the Replacement Water Cost Adjustment Factor (RWCAF) for FY 2009-2010 and provided history regarding it.

RWCAF
Update

Director of Utilities Hsu presented the Third Quarter San Juan Fuel Cost Adjustment (FCA) Update stating that per current FCA mechanism, the FCA charge in an amount less than \$100,000 shall be carried over to the following quarter for recovery. Thus, San Juan FCA for the third quarter will be set to zero.

Quarterly FCA
San Juan
Resource

Director of Utilities Hsu presented item regarding Deferral of San Juan Forced Outage Insurance Policy stating that since the spot market for electricity has declined and has reached a point where the forward prices for spot market electric power are lower than the strike price of the offered insurance policy there is no need to purchase at this time.

San Juan
Outage Ins

Director of Resource Management Tang provided an update on the Lodi Project stating that the application with the PUC is still ongoing, the project is currently working, the permit to construct should be ready by the end of the year, overall the project is on schedule, the cost has stayed at the same level, but about 30% higher than 2008 forecast due to financing and construction costs that have risen.

B. Tang
Update on
Lodi

DIRECTOR'S COMMENTS

Dir Cmts

City Manager presented the Light and Water Budget Reductions from Original Proposed as requested by Board Members.

City Mgr
Comment

Discussion was held regarding City watering schedule, possibly going dark for meetings in August; public parkway/right of way limitations/liabilities, condition of medians on Sierra Madre and Todd and a possible tour of the Dam.

Discussion
several items

Moved by Board Member Gonzales, seconded by Board Member Carrillo and unanimously carried to adjourn.

Adjourn

TIME OF ADJOURNMENT: 8:04 P.M.

SECRETARY

NEXT RESOLUTION NO. 09-C53.