



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, SEPTEMBER 27, 2010 – 6:35 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 Gonzales called the meeting to order.

Call to Order

ROLL CALL

Roll Call

PRESENT: BOARD MEMBERS: GONZALES, CARRILLO, HANKS, ROCHA
ABSENT: BOARD MEMBERS: MACIAS

ALSO PRESENT:

Also Present

City Attorney Ferre, Assistant City Manager Makshanoff, Director of Utilities Morrow, Assistant to the Director of Utilities Kalscheuer, Director of Customer Care and Solutions Vanca, Assistant Director of Water Operations Anderson, Assistant Director of Resource Management Lehr, Assistant Director of Electric Operations Langit, Captain Momot, City Clerk Mendoza, Deputy City Clerk Toscano.

PUBLIC PARTICIPATION

None.

Pub Part
None

UTILITIES DIRECTOR COMMENTS

Dir Comments

Director of Utilities Morrow announced that the APPA Rally will be in Washington in December of this year and that more information would be coming on the event. He also advised that he would be touring the San Juan Plant next week.

Dir of Utilities
Comments

UTILITY BOARD MEMBER COMMENTS

Brd Mbr Cmts

Assistant City Manager Makshanoff announced that the Gold Line has let him know that they will be performing a Vibration Study on the Railroad Tracks in Azusa and if needed would get permission from private property owners to gain entrance to their properties.

Asst City Mgr
Comments

Board Member Rocha announced that there is a Canal Committee being formed which will include the Buddhist Temple and there may be litigation in the future.

Rocha
Comment

Chairman Gonzales asked that the meeting be adjourned in memory of Mr. Fred Fraijo.

Gonzales
Comment

The **CONSENT CALENDAR** consisting of Items D-1 through D-6, were approved by motion of Board Member Carrillo, seconded by Board Member Hanks and unanimously* carried.

Consent Cal
Appvd

1. The minutes of the regular meeting of July 26, 2010, were approved as written.
2. Specifications for the roof maintenance for the Azusa Light & Waster Administration building were approved and the City Clerk was authorized to advertise for bids.
3. Approval was given for a one year extension of Professional Services Agreement with Huls Environmental Management, LLC for administration of oil payment program in amount of \$6,380 and the Mayor was authorized to execute said agreement. Board Member Hanks asked a question regarding this item which was responded to by staff.
4. Approval was given to award contract to Novinium Incorporated for Project LD2010-3 for rejuvenating underground electric cable at 955 East Arrow Highway in an amount not-to-exceed \$38,194.77.
5. A RESOLUTION OF THE UTILITY BOARD AND CITY COUNCIL OF THE CITY OF AZUSA, C A ACCEPTING CERTAIN GRANT OF PERMANENT EASEMENT AND DIRECTING THE RECORDING THEREOF. TARGET CORPORATION.
6. Request for Proposal (RFP) for preparation of the 2010 Urban Water Management Plan Update was approved and staff was authorized to solicit proposals from qualified consultants.

Minutes
Specs Roof
Maintenance
PSA Huls
Environmental
Management
Novinium Inc
Underground
Elect Cable
Res. 10-C57
Easement
Target
RFP 2110
Urban Water
Mngmt Plan

SCHEDULED ITEMS

Sched Items

Electric Fund Reserve Policy Update.

Electric Fund
Reserve Policy
Response &
Comments

Director of Utilities Morrow and Assistant to the Director of Utilities Kalscheuer presented the Electric Utility's Reserve Policy for FY 2010-11 which consisted of Minimum Cash Reserve Target, Electric Fund Reserve formula and amounts, Estimated Current Reserve Level, Reporting Trigger, Trigger Test and Corrective Actions; they responded to questions posed by the Board Members.

Board Member Hanks offered a Resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, SETTING CERTAIN RESERVE POLICIES FOR THE ELECTRIC UTILITY ENTERPRISE FUND.

Res. 10-C58
Reserve
Policies electric
Enterprise
Fund

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, HANKS, ROCHA
NOES: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS: MACIAS

Strategic Discussions Regarding Azusa's San Juan Rights.

San Juan

Lengthy discussion was held San Juan Power Plant which included Size and Deliverability Risks, Climate Change, CO2 Emissions, proposed NOx Controls, and Coal Ash. Moved by Board Member Carrillo, seconded by Board Member Hanks and unanimously* carried to authorize the Director of Utilities to take the following actions: 1) seek potential buyers and engage in negotiations regarding the potential sale of all or a portion of Azusa's interest in San Juan Unit 3; and 2) retain legal counsel support through Southern California Public Power Authority to assist in preparing necessary transactional documents in amount not-to-exceed \$50,000.

Discussion
Motion to take
actions

STAFF REPORTS/COMMUNICATIONS

Staff Rpts

Director of Customer Care and Solutions Vanca presented the Customer Identification Protection and Credit Information Update. The Fair Credit and Reporting Act (FCRA) requires creditors to develop and implement an Identity theft Prevention Program by November 2008, and extended to 2009. The update consisted of Background, Compliance and Credit Notices.

Cust ID Protect
& Credit
Information

Assistant to the Director of Utilities Kalscheuer presented the FY 2009-2010 Year-End Financial Reports regarding Water, Electric, and Utility Sales. He responded to questions posed by the Board Members.

Year- End
Financial Rpts

Assistant Director of Water Operations Anderson presented information regarding the Water Supply of the City of Azusa Water System which consisted of Water Supply in Main San Gabriel Groundwater Basin, Water Supply Available to the Main San Gabriel Groundwater Basin, USG3 Deliveries (AF), main San Gabriel Groundwater Basin Basinwide Water Production, problems with Imported Water Supply, Canyon Basin, Canyon Basin Water Supply, Canyon Basin Water Levels 2005-2010, South Spreading Ground Pond comparison from July 11th to September 15th, which was a 26 foot drop in water level. He provided details on Azusa's Water Production, Water Conservation, Near Term Outlook in Water Supply, Long Term Outlook in Water Supply, Drought Restrictions and Options.

C. Anderson
Presentation
Water Supply
City Water
System

Assistant Director of Water Operations Anderson presented Multi-Agency Regional Groundwater Recovery Project which consists of the City of Azusa Light & Water, City of Glendora Water Department, Rowland Water District, Walnut Valley Water District and Covina Irrigating Company, and all are members of the Three Valleys MWD. He talked about the proposed source of water supply for the project, concentrations of contaminants in the wells to be treated, water supply reliability, distribution of treated water to the agency, facility locations, proposed water treatment plant site, estimated capital cost of the project, benefits breakdown for treatment, production and collected, projected O&M costs, cost breakdown for the project partner agencies and draft MOU.

Multi-Agency
Regional
Groundwater
Recovery
Project

Director of Utilities Morrow presented the Azusa Light & Water's Renewable Energy Program Update providing background information, CARB RES Rules, Current Azusa Renewables, Azusa RPS Levels, Utility RPS Comparison, future RPS, and possible RES Projects.

Azusa Update
Renewable
Energy Prgm

Director of Utilities Morrow advised that the proposal for Northside Park Walking Path Lighting is to attach five 100 watt HPS lights and arms to existing power poles along the northern portion of the walking path. Board Members suggested that staff look into other parks within the City with walking paths and see if there are lighting issues.

Northside Park
Walking Path
Lighting

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

Adjourn

TIME OF ADJOURNMENT: 8:47 P.M.

SECRETARY

NEXT RESOLUTION NO. 10-C59.

*** Indicates Macias absent.**

09/27/10 PAGE THREE