



CITY OF AZUSA

MINUTES OF THE REGULAR MEETING

OF THE AZUSA UTILITY BOARD/CITY COUNCIL

MONDAY, OCTOBER 24, 2011 – 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 Hanks called the meeting to order.

Call to Order

Assistant Director of Utilities Kalscheuer led in the Flag Salute.

Flag Salute

ROLL CALL

Roll Call

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

ALSO PRESENT:

Also Present

City Attorney Ferre, City Manager Delach, Director of Utilities Morrow, Assistant to the Director of Utilities Kalscheuer, Assistant Director of Water Operations Anderson, Assistant Director of Resource Management Lehr, Associate Engineer Barbosa, Electric Engineer Vuong, Public Works Director/Assistant City Manager Haes, Captain Momot, City Clerk Mendoza, Deputy City Clerk Toscano.

PUBLIC PARTICIPATION

Pub Part

Mr. Art Morales addressed the Board Members asking the feasibility of setting a Light and Water Bill Drop Box on Azusa Avenue for easier access, placing a light at Senior center deposit for recyclables, set aside funds to lend people in order to pay bills, and noted the courteousness of Light and Water employees.

A. Morales
Comments

UTILITIES DIRECTOR COMMENTS

Dir Comment

Director of Utilities Morrow addressed the Board Members stating that the House of Representatives and Senate have approved a 30 year extension of contract with Hoover Dam, which is part of the renewable portfolio. He responded to questions posed regarding upgrade. He stated that there will be an Athens' proposal at the next meeting regarding automated trash collection. Assistant Director of Water Operations Anderson introduced new Light and Water employee of the Water Division Melisa Barbosa Associate Engineer.

Dir of Utilities
Comments

UTILITY BOARD MEMBER COMMENTS

Brd Mbr Com

Board Member Rocha welcomed the new Light and Water employee Associate Engineer Melisa Barbosa to the City of Azusa.

Rocha
Comment

The **CONSENT CALENDAR** consisting of Items D-1 through D-4, were approved by motion of Board Member Carrillo, seconded by Board Member Gonzales and unanimously* carried.

Consent Cal
Appvd

1. The minutes of the regular meeting of September 26, 2011, were approved as written.
2. Approval was given for the purchase of a new engineering plan copier/large document scanner from ARC Imaging Resources Company in amount not-to-exceed \$14,201.98 including applicable tax and trade in value of old equipment.
3. Approval was given for the termination of contract with PMR Progressive, LLC collection agency and authorization was given to issue a Request for Proposals for a new collection agency.
4. Approval was given for the purchase of a rugged handheld industrial thermal imager for Electric Division from B&K Electric Wholesale in amount not-to-exceed \$9,475.32 plus applicable tax.

Minutes
Purchase
Engr Copier
Term PMR
New RFP
Purchase
Imager

SPECIAL CALL ITEM

Spec Call Item

None.

None

SCHEDULED ITEMS

Sched Items

Financial Security Agreements with the ISO for Congestion Revenue Rights (CRR) Auction.

Fin Sec Agmts

Assistant Director of Resource Management Lehr addressed the item stating that Azusa Light and Water is working with the California Independent System Operator (ISO) to purchase Congestion Revenue Rights (CRR). These rights allow Azusa to manage transmission congestion. Azusa routinely purchases additional CRRs at the ISO auctions to protect against unforeseen transmission costs associated with importing energy from remote resources. This year the ISO is requiring a Security Agreement along with financial collateral via Certificate of Deposit or cash account to enable Azusa to participate in the ISO CRR auction.

Asst Dir Res
Mngmt Lehr
Comments

Moved by Board Member Carrillo, seconded by Board Member Rocha and unanimously* carried to authorize the Director of Utilities to execute periodic Financial Security Agreements with the California Independent System Operator (ISO) in amount not-to-exceed \$500,000; and authorize the City Treasurer to establish cash deposits or other instruments sufficient to fulfill the agreement obligations on behalf of Azusa Light & Water.

Financial
Security Agmts
Approved

STAFF REPORTS/COMMUNICATIONS

Staff Rpts

Local Adoption of SBX1 2

SBX 1 2

Assistant Director of Resource Management Lehr presented Renewable Portfolio Standard law that will become effective on December 10, 2011. He stated that regulations regarding the law are not finalized yet, not until June or July of 2012, but the law requires that governing bodies of publicly-owned electric utilities adopt an RPS "Enforcement Program" by January 2012. He stated that SBX 1 2 requires a 30-day notice be published in the local newspaper as well as posted on the Azusa L&W website to advise the public that on November 28, 2011 the Board will be considering adoption of a RPS Enforcement Program, he advised that that will be completed.

Assist Dir Res
Mngmt Lehr
Presentation

Assistant to the Director of Utilities Kalscheuer addressed the issue providing information on the regulatory and legislative efforts by the State to mandate commercial recycling by 2012. Assembly Bill 32 requires GHG emissions reduced to 1990 levels by 2020, and in the areas of solid waste sector it was determined that significant source of Greenhouse Gas emissions, mainly methane was emitted from landfills is 20 times more effective for trapping heat in atmosphere than CO2 and so is important to reduce. While the regulation was under development the State enacted AB 341 which parallels AB 32 and it sets a 75% waste diversion target by 2020. Regulations pertaining to commercial recycling have been under development with a targeted date of January 1, 2012 and implementation by local jurisdiction and businesses by July 1, 2012. In Azusa there is the MRF program where all the commercial materials are going through Athens Materials Recovery Facility which allows compliance with regulations.

Assist to Dir
Util Kalscheuer
Presentations

Utilities Director Morrow provided an Update on Vulcan Water Rights usage stating that in 1996 Vulcan granted a permit to maintain and operate City Well No. 1903119, the permit was amended in 1999 to allow Vulcan to borrow water for up to 5 years and small amounts were borrowed and repaid annually. However, there was no record of repayment for FY02 and FY03. Light & Water staff recently met with Vulcan to discuss outstanding water repayments and Vulcan researched its records to see what payments were made.

Dir of Utilities
Update Vulcan
Water Rights
Transfers

Utilities Director Morrow provided an update on SCPPA, Southern California Public Power Authority, and Legislative Briefing as he and Chairman Hanks attended a Legislative Lunch Briefing on September 30, 2011. He talked about projects, energy centers, financial activities, its speakers, etc. He responded to questions posed regarding Hoover Dam and invited Board Members to take a tour some time. He provided an update on San Juan stating there was a small fire there and it may be as long as April 2012 to be able to go into the coal mine and last week the MOU, Letter of Intent for the sale of San Juan was signed.

Dir of Utilities
SCPPA

It was consensus of Board Members to adjourn.

Adjourn

TIME OF ADJOURNMENT: 7:05 P.M.

SECRETARY

NEXT RESOLUTION NO. 11-C75.

* Indicates Macias absent.