



**CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, SEPTEMBER 24, 2012 – 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 (AL&W) Conference Room, located at 729 N. Azusa Avenue, Azusa, California.

Vice-Chairmember Macias called the meeting to order.

Call to Order

Pledge to the flag was lead by City Manager Makshanoff.

Flag Salute

ROLL CALL

Roll Call

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

ABSENT: BOARD MEMBERS: CARRILLO

ALSO PRESENT

Also Present

City Attorney Ferre, City Manager Makshanoff, Director of Utilities Morrow, Pubic Works Director/Assistant City Manager Haes, Interim Finance Director Paragas, Acting Assistant Director Customer Care & Solutions Kalscheuer, Police Lieutenant Chavez, Assistant Director of Water Operations Anderson, Assistant Director of Resource Management Lehr, Assistant Director of Electric Operations Langit, City Clerk Mendoza, Acting Assistant City Clerk Hernandez.

PUBLIC PARTICIPATION

Pub Part

None.

UTILITIES DIRECTOR'S COMMENTS

Director's
Comments

It was consensus of Boardmembers to move forward for discussion, the informational verbal item F-2, an Update on Automated Trash Collection Contract Amendment, from Staff Reports/Communications Section. Utilities Director Morrow, addressed the item stating that during the spring public outreach, information from the public was collected regarding the automated services; an amendment to the agreement has been drafted and reviewed by Athens; and the kick off meeting of negotiations with Athens will be on September 25. Light discussion was held regarding large amounts of brush debris and how this will benefit the city.

Information
Athens
Automated
Trash
Collection

UTILITY BOARD MEMBERS COMMENTS

Board
Members
Comments

None.

The **CONSENT CALENDAR** consisting of Items D-1 through D-14, was approved by motion of Board Member Hanks, seconded by Board Member Rocha and *unanimously carried. Consent Cal

1. The minutes of the regular meeting on July 23, 2012 were approved as written. Min appvd
2. The following Resolution was adopted and entitled:

A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA ACCEPTING A CERTAIN GRANT OF PERMANENT EASEMENT AND DIRECTING THE RECORDING THEREOF. Reso 12-C72
Accept
Easement
3. The following Resolution was adopted and entitled:

A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA APPROVING A QUITCLAIM OF CERTAIN GRANT OF EASEMENT AND DIRECTING THE NOTARIZATION THEREOF. Reso 12-C73
Quitclaim of
Easement
4. The solicitation for Request For Proposals for Lock Box Services was authorized. RFP Loc Box
5. The Landscape and Irrigation Maintenance Specifications for Azusa Light & Water Facilities was approved and the City Clerk was authorized to commence advertisement to solicit formal bids. Bids Landscp
& Irrigation
6. The Director of Utilities was authorize to execute a License Agreement with ECotality for furnishing and installing a "Level II" electric vehicle public charging station at the Light & Water office front parking lot; and the expense for extending electric service to the charger pedestals, in the amount not-to-exceed \$20,000 was authorized. Lic. Agmnt
ECotality
7. The issuance of a blanket Purchase Order for \$1,200,000 with the City of Glendale under the provisions of Section 2-523 (d) of the Azusa Municipal Code was approved. P.O. Glendale
8. The conceptual plan to upgrade the existing Electric SCADA System was approved, and staff was authorized to solicit proposals/bids. Bids Elect
SCADA Sys
9. The plan for a concrete block fence along the south side perimeter of the Electric Division Yard was approved and staff was authorized to solicit for bids. Block Fence
Elect Yard
10. The purchase of a new Chevrolet pick up work truck from National Auto Fleet Group for use of Electric Division Distribution Supervisor in the amount not-to-exceed \$23,873, including sales tax and delivery charges, pursuant to Azusa Municipal Code (AMC) Section 2-523(e), was approved. Purchase of
Chevrolet PU
11. Formal sealed bids was waived in accordance with the Municipal Code Section 2-523(e), and the purchase of a Vactor Hydroexcavator Truck was awarded to Haaker Equipment Company pursuant to National Joint Powers Alliance Cooperative (NJPAC) Purchasing Agreement Contract No. 031710 in the amount of \$398,879.78 including tax, delivery, discount, and administrative fees. Purchase
Vector Hydro
Truck
12. Staff was authorized to post a \$500,000 financial security with ISO for the purpose of participating in the ISO's auction of 2013 Congestion Revenue Rights (CRRs) scheduled for November 6, 2012. Post Financial
Security
13. The latest APPA Safety Manual (15th Edition 2012) as the primary safety guidelines/rules for electric workers was adopted. APPA Safety
Manual
14. A "Support" position in postponing the closure of the Puente Hills Landfill was approved, and the Mayor was authorized to sign a letter urging the Los Angeles County Board of Supervisors to amend the Conditional Use Permit to keep the landfill open until October 31, 2018. Ltr Support
Puente Landfill

SPECIAL CALL ITEMS

None

Spec Call

None

SCHEDULED ITEMS

Approval of Phase II Renewable Development Agreement:

Sched Items

Utilities Director Morrow addressed the item stating that AL&W is in Phase I of an agreement with Southern California Public Power Authority (SCPPA) since 2006, which has served its purpose. Changes have occurred since then, and a Phase II agreement was prepared. The purpose of this agreement is to explore, investigate, and analyze projects; it helps Azusa get “economy of scale” benefits along with other SCPPA members. This agreement is voluntary and AL&W only pays on projects in which they are involved.

SCPPA Agreement Phase II

Moved by Boardmember Hanks, seconded by Boardmember Gonzales and *unanimously carried to approve Phase II of the Renewable Development Agreement with SCPPA and to authorize the Mayor to execute the Agreement.

Update on the La Paz Project and Request for Authority to Withdraw Participation in the Project.

La Paz Project Withdraw Participation

Utilities Director Morrow addressed the item giving a brief description of what the La Paz Project involves, and explained that the developer is not making the kind of progress that the members expected. There have been many unfavorable changes since 2010, and as a result of this, other SCPPA members are withdrawing from this project.

Moved by Boardmember Hanks, seconded by Boardmember Rocha and *unanimously carried to authorize Staff to withdraw Azusa’s participation in the La Paz project.

Approval of Selection of UtiliWorks Consulting LLC to Provide Consulting Services Related to the Utility Meter Replacement Project.

Utiliworks Meter Replacement Project

Utilities Director Morrow addressed the item stating that staff solicited consulting services proposals from experienced companies to assist in the study and preparation of Request for Proposals (RFP) solicitation for advanced meter infrastructure, and UtilitiWorks Consulting, LLC was the lowest and most responsive. The service will consist of three phases; to prepare the development of the RFP, to evaluate proposals received, and to work on a contract with a vendor. Light discussion was held regarding the possibility of getting assistance from SCAPA, cost of the project and the loss of jobs of meter readers.

Moved by Baordmember Gonzales, seconded by Boardmember Hanks and *carried, Boardmenber Rocha voting no, to approve the selection of UtiliWorks Consulting, LLC for professional consulting services in an amount not-to-exceed \$39,600.

STAFF REPORTS/COMMUNICATIONS

Staff Rpts

Fourth Quarter Financial Report for FY 2011-12:

Assistant to the Utilities Director Kalscheuer gave the Fourth Quarter Financial Report for last FY 2011-12 of water and electric utility. He highlighted on the slight negative cash flow on the retail services for water utility, and the positive net cash flow on electric utility giving detailed information of the reasons for these changes; he gave information on cash reserve, increase in sales on water utility, current operating budget, long term debt and money received from loans. Light discussion was held regarding operating expenses, capital expenditures, and likelihood that electric rates will be lower January 1 due to power cost adjustment.

Information Financial Report

Update on Automated Trash Collection center Amendment:

Auto Trash
Collect mvd

The item was moved to the Utilities Director’s Comment portion of the meeting.

Update on Lodi Energy Center:

Lodi Energy
Center

Utilities Director Morrow addressed the item stating that the dedication of the Lodi Energy Center (LEC) in the City of Lodi, on August 10, was a great success, and played a video of the dedication.

Update on Canyon Basin Water Management-City of Glendora:

Utilities Director Morrow addressed the item stating that staff had previous concerns on the City of Glendora taking water from Azusa’s Canyon Basin without contributing to the management of water supply. Staff held meetings with Glendora regarding this issue, and progress is being made. Glendora will be joining the committee of 9, a group who controls the water that comes down the canyon, and to which Azusa holds 4 seats, Monrovia 1, and Covina and Monrovia Nursery the other 4. Glendora will take over a current vacant seat by Monrovia Nursery and will start sharing some the costs involved in the management of the basin.

Glendora
Participation
on Mngmnt of
Canyon Basin

Water Quality Authority Board Elections:

Utilities Director Morrow addressed the item stating that a seat will be vacated by the City of Whittier on the Water Quality Authority Board. Azusa has the ability to nominate a representative to fill the upcoming vacant seat, and asked if any of the Boardmembers are interested in being nominated, to contact staff.

Water Quality
Authority
Board
Elections

Legislative Update from California Municipal Utilities Association (CMUA):

Utilities Director Morrow addressed the item stating that this is a Legislative Update provided by CMUA. Boardmember Rocha asked about SB37, which prohibits a recycler to accept fire hydrants. Staff responded that licensed recyclers are required to get certain contact information of the person turning in items for recycling, and additional information will be sent to the Board regarding this bill.

Legislative
Update

Update on Cap-and-Trade Program for Greenhouse Gases:

Utilities Director addressed the item explaining that this program will not benefit AL&W; the sale and amount of these allowances generated high risk and monetary exposure for Azusa without certainty of having the ability to buy them back at a reasonable price; the price to buy back will be twice as high to what they are being forced to sell; this is a risk and exposure that does not make sense. It was recently found out that Azusa is being exempted from certain requirements that allow not to dump extra allowances, they can just be given and be used in compliance with the green house laws; there is no longer a requirement to sell them. AL&W is taking back the earlier designation of these allowances.

Cap-and-
Trade Program
Greenhouse
Gasses

It was consensus of the Board Members to adjourn.

TIME OF ADJOURNMENT: 7:38 P.M.

Adjourn

SECRETARY

NEXT RESOLUTION NO. 12-C74.

* Indicates Chairman Carrillo absent.