



**CITY OF AZUSA**  
**MINUTES OF THE REGULAR MEETING**  
**OF THE AZUSA UTILITY BOARD/CITY COUNCIL**  
**MONDAY, MAY 23, 2016 – 6:30 P.M.**

Chairman: Angel A. Carrillo  
Vice-Chairman: Uriel Edward Macias  
Board Member: Joseph Romero Rocha  
Board Member: Edward J. Alvarez  
Board Member: Robert Gonzales  
Secretary: Jeffrey Lawrence Cornejo, Jr.

The Utility Board/City Council of the City of Azusa met in regular session, at the above date and time, in the Azusa Auditorium, located at 213 E. Foothill Boulevard, Azusa, California.

Board Member Rocha called the meeting to order at 6:30 P.M.

Pledge to the flag was led by Captain Sam Fleming

**ROLL CALL:** Roll call was taken by Secretary Cornejo.

**PRESENT: BOARD MEMBERS:** ROCHA, GONZALES, ALVAREZ

**ABSENT: BOARD MEMBERS:** MACIAS, CARRILLO

**ALSO PRESENT**

**Elected Officials:** Secretary Cornejo

**City Attorney:** Jeff Ferre

**Staff Members:** City Manager Butzlaff, Utilities Director Morrow, Assistant Director Customer Care Solutions Kalscheuer, Utility Programs Specialist Reid, Assistant Director Resource Management Lehr, Assistant Director Electric Operations Langit, Police Chief Gonzalez, Interim Finance Director Johnson, Senior Management Analyst Rosales, Management Analyst Lacasella

**PUBLIC PARTICIPATION**

None.

**UTILITIES DIRECTOR COMMENTS**

None.

**UTILITY BOARD MEMBER COMMENTS**

None.

## CONSENT CALENDAR

Moved by Board Member Gonzales, seconded by Board Member Alvarez, to approve Consent Calendar Items D-1 through D-4 by the following vote of the Board:

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

1. The minutes of the regular meeting of April 25, 2016 were approved as written.
2. Staff was authorized to reduce the service turn on fee for the May-June 2016 Azusa Pacific University special event from \$45 to \$25 per unit or turn on.
3. An amendment to the professional Services Agreement with APX Inc., extending the term of the agreement through June 30, 2018 at no change to the monthly cost.
4. The existing Blanket Purchase Order for Southern California Edison (SCE) transmission services was increased by \$400,000 to a total of \$2,600,000.

## SCHEDULED ITEMS

### PUBLIC HEARING FOR WATER RATE ADJUSTMENT EFFECTIVE FY 2016-17 THROUGH FY 2020/21.

Utilities Director Morrow presented the staff report stating that state mandated water conservation and drought conditions have resulted in a 20% decrease in sales from 2013 causing a projected \$2.8 million budget shortfall for Fiscal Year 2016/17. Rate increases of 19.75% are necessary to fund the budget deficit and allow the Water Utility to meet its Fiscal Year 2017 debt coverage obligation and increases of 2% per year in Fiscal year 2018 through 2021 were projected to be necessary to continue to meet bond coverage.

It was recommended that meter size rates be unbundled resulting in the larger meter sizes seeing higher rate impacts than customers with smaller meter sizes. The rate study also proposed drought/rate phases which would signal rate adjustments depending on sales projections if the drought worsens.

Board Member Rocha declared the public hearing open.

Secretary Cornejo read the notice which was mailed to all customers on April 7, 2016.

### PUBLIC COMMENT

Mr. Jorge V. Rosales submitted a letter of protest and expressed his opposition to the proposed rate increase.

Mr. Russ Rentschler expressed his concerns about the opening the brewery.

Mr. Art Morales expressed his opposition to the proposed rate increase.

Mr. Rob Case inquired about the location of the base rate on customer's water bill and expressed his opposition to the proposed rate increase.

Moved by Board Member Alvarez, seconded by Board Member Gonzales to close the public hearing by the following vote of the Board:

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

Moved by Board Member Gonzales, seconded by Board Member Alvarez to continue the item to the regular meeting of June 27, 2016 by the following vote of the Board:

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

### **STAFF REPORTS / COMMUNICATIONS**

#### **Update on Water Supply and the Drought**

Utilities Director Morrow provided an update on the water supply and drought stating that water conditions had improved, an Executive Order was issued by the Governor on May 9, 2016 continuing drought response actions through January 2017 and ordering adoption of Mandatory Water restrictions, the State Water Board adopted an updated drought regulation on May 18, 2016, and an updated Water Rule 21 would be brought to the Utility Board in June.

#### **Proposed Assembly Bill 2339 (Irwin) on Net Energy Metering**

Utilities Director Morrow provided information regarding AB2339 stating that it would expand Net Energy Metering obligations of publicly owned electric utilities and would offer no relief for Azusa Light & Water and its customers who subsidize the net metering rates. The bill was moved to suspense and monitoring would be continued.

#### **Aliso Canyon Update**

Utilities Director Morrow provided an update of the Aliso Canyon gas storage field well leak that released about 10,000 metric tons of natural gas into the air. The Governor signed SB380, which would continue the shutdown of all 114 wells at Aliso Canyon until safety tests are completed. There is a probability of power shortages in the LA region should the gas field continue to be non-operational.

#### **Azusa Hydroelectric Project Relicensing Update**

Utilities Director Morrow provided an update on the Azusa Hydroelectric Project stating that the owner was working to relicense the project, which will expire in 2018.

#### **Azusa's Renewable Portfolio Report Standard for Calendar Year 2015**

Utilities Director Morrow presented the 2015 Renewable Portfolio Standard Report stating that Azusa Light & Water met the targeted 20% of renewable energy mandate for last year. The mandated level will increase to 25% in 2016.

#### **California Municipal Utilities Association (CMUA) Legislative Update**

Utilities Director Morrow provided the CMUA Legislative Update to the Board.

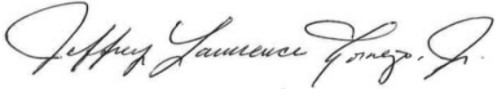
#### **Federal Legislative Update**

Utilities Director Morrow presented Morgan Meguire LLC's federal legislative update to the Board.

**ADJOURNMENT**

The meeting was adjourned by consensus of the Utility Board.

**TIME OF ADJOURNMENT: 7:46 P.M.**

A handwritten signature in cursive script, reading "Jeffrey Lawrence Gonzales, Jr.", written in black ink.

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**CITY CLERK/SECRETARY**