



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, JUNE 27, 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 Light and Water (ALW) Conference Room, located at 729 North Azusa Avenue, Azusa, California.

Vice-Chairman Macias called the meeting to order at 6:31 P.M.

Pledge to the flag was led by Acting Police Chief Hunt.

ROLL CALL: Roll call was taken by Secretary Cornejo. Chairman Carrillo arrived at 6:31 P.M., after roll call.

PRESENT: BOARD MEMBERS: ROCHA, MACIAS, GONZALES, CARRILLO, ALVAREZ

ABSENT: BOARD MEMBERS: NONE

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, Acting Police Chief Hunt, Public Works Director City Engineer Bobadilla, Water System Engineer Barbosa, Police Captain Flemming, Finance Director Johnson, Storekeeper Alvarez, Management Analyst Lacasella, Chief Deputy City Clerk Garcia

PUBLIC PARTICIPATION

None.

UTILITIES DIRECTOR COMMENTS

Utilities Director Morrow provided corrections for Consent Calendar Items 1 and 2.

UTILITY BOARD MEMBER COMMENTS

None.

CONSENT CALENDAR

Moved by Board Member Gonzales, seconded by Board Member Alvarez, to approve Consent Calendar Items 1 through 5 by the following vote of the Board:

AYES: BOARD MEMBERS: ROCHA, MACIAS, GONZALES, CARRILLO, ALVAREZ
NOES: BOARD MEMBERS: NONE
ABSTAIN: BOARD MEMBERS: CARRILLO, MACIAS (From Item 1 only)

1. The minutes of the regular meeting of May 23, 2016 were approved as corrected.
2. Resolution No. 2016-C35 was adopted and entitled: A RESOLUTION OF THE UTILITY BOARD OF THE CITY OF AZUSA RATIFYING THE CITY MANAGER'S DETERMINATION THAT AN EMERGENCY CONDITION EXISTS WITH RESPECT TO THE REPAIR OF CERTAIN ELECTRICAL FACILITIES IN THE VICINITY OF 1330-1365 HOLLIS AVENUE, RATIFYING THE CITY MANAGER'S LETTING OF A CONTRACT TO PERFORM SAID REPAIRS WITHOUT COMPETITIVE BIDDING, PURSUANT TO SECTION 22050 OF THE CALIFORNIA PUBLIC CONTRACT CODE AND AZUSA MUNICIPAL CODE SECTION 2-523.
3. A proposed Emergency Uninterruptible Power System (UPS) Rebate Program was approved.
4. An amendment extending the term of the Professional Services Agreement with Utiliworks Consulting LLC to provide assistance in negotiating a contract with Sensus USA for advanced metering infrastructure project was approved.
5. A \$7,000 amendment to the contract purchase order issued to InContact Inc. for the call management system was approved.

SCHEDULED ITEMS

Approval of Water Rate Adjustment Effective FY 2016/17 Through FY 2020/21

Utilities Director Morrow presented the item stating that ten comments regarding water rates had been received; the net increase of 7.29% in the first year resulted from eliminating penalties; the net increase would be 2% per year thereafter, with an average increase of about 3% over the five-year period; and the last water rate increase occurred in 2010.

Moved by Board Member Gonzales, seconded by Board Member Rocha to approve the water rate adjustment effective FY 2016/17 through FY 2020/21 by the following vote of the Board:

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

Proposed Revisions to Water Rule 21 Titled "Water Conservation," Termination of Current Phase III Water Shortage Declaration, Implementation of New Water Restrictions Including Continued Two-Day per Week Watering Limits and Establishment of Voluntary Twenty Percent (20%) Water Conservation Target

Utilities Director Morrow presented the item stating that on May 9, 2016, the Governor extended the Emergency Drought Order through January 2017. The State Water Board implemented the Governor's Order to make water use restrictions permanent and mandatory and to require self-certification of local water reduction targets. Water supplies remain low and the City received a State Water Project Allocation of 60 percent. The Upper Water District requested that retail agencies continue conserving water by 20 percent. Staff submitted the City's self certification of a 3% target on June 22, 2016; there was no opportunity to return to the Utility Board for input prior to submitting the certification. Water Rule 21 contains requirements for hotel guests to request laundering of linens daily and restaurant guests to request glasses of

water. Those requirements were not contained in draft revisions of Rule 21. The City would also add a public information requirement for hotels and restaurants. The updated Water Rule 21 would become effective July 1, 2016.

Discussion ensued regarding the use of shutoff nozzles on water hoses. Mandatory restrictions required all water hoses to have shutoff nozzles; however, a resident holding a water hose to water a tree without a nozzle would not be cited. Car washes for fundraising purposes could continue if they utilized shutoff nozzles on water hoses and buckets for washing. The City had delivered buckets and nozzles to car washes when Staff noticed that they were not being used.

Chairman Carrillo offered Resolution No. UB-5-2016 entitled:

A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, TO AMEND WATER RULE NO. 21, WATER CONSERVATION

Moved by Chairman Carrillo, seconded by Vice-Chairman Macias to Accept and file Azusa Light & Water's drought "Self-Certification" to the State Water Resources Control Board; Terminate the Phase II Water Shortage declaration; and approve Resolution No. UB-5-2016, by the following vote of the Board:

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

Consideration to Adopt the 2015 and Revised 2010 Urban Water Management Plans

Utilities Director Morrow indicated that the City is required to update the Urban Water Management Plan every five years and submit it to the Department of Water Resources by July 1. The Urban Water Management Plan consists of a forecast of water supply and conservation for the next 20 years. Under SB X7-7, the City is required to reduce water usage by 20% by 2020, which the City had already accomplished.

Chairman Carrillo declared the public hearing open.

Secretary Cornejo read affidavit of proof of publication published on April 29, 2016 and June 2, 2016 in the San Gabriel Valley Tribune.

Secretary Cornejo reported no correspondence had been received.

PUBLIC COMMENT

Mr. Art Morales commented that residents in his neighborhood lived long lives because of the good quality of City water. Some of his neighbors had noticed a chlorine odor at the tap, but it dissipated quickly.

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

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

Discussion ensued regarding the difference between treated and untreated water, the use of chlorine, and reclaimed water. Treated water had been through the process at the water treatment plant. A small amount of chlorine is added to water at the treatment plant, but chlorine dissipates with heat and time. The City does not have a source for reclaimed water. Some water from the treatment plant could be diverted for use in parks and along medians. Staff had looked at a few opportunities to obtain reclaimed water but has not found an economical method. Reclaimed water is substantially more expensive than conventional potable water.

Vice-Chairman Macias offered Resoution No. UB-6-2016 entitled:

A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA CALIFORNIA, ADOPTING THE 2015 AND REVISED 2010 URBAN WATER MANAGEMENT PLANS

Moved by Vice-Chairman Macias, seconded by Board Member Gonzales to adopt Resolution No. UB-6-2016 by the following vote of the Board:

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

STAFF REPORTS/COMMUNICATIONS

Update on Aliso Canyon Natural Gas Storage Project and Possible Rotating Electricity Blackouts

Utility Director Morrow provided the update stating that was unsure whether power outages and rotating blackouts would occur. The gas wells at Aliso Canyon are shut down for safety testing, which would reduce the supply of fuel for 17 power plants and reduce a significant amount of electric capacity. Staff was developing customer education pieces on the subject, and information would be placed on the City's website. Consecutive days of extreme hot weather would increase the probability of an outage. The target is to liomit outages to 1-hour per customer per day likely in the late afternoon or early evening. Staff was trying to determine critical loads and decide which ones could be curtailed, but almost every circuit has some critical loads. Water Department loads were the number one priority for curtailment and would not necessarily be limited to 1 hour.

Discussion ensued regarding customers with a critical need for electricity and the effect of an outage on traffic signals and street lights. The City would provide written notice to approximately 30-35 medical customers who had a critical need for electricity and had created a rebate program for backup power sources for medical customers. Utilities Staff was consulting with Public Works and the Police Department to provide advance notice of locations of outages.

Large Electric Customer Meeting Scheduled on Summer Electric Reliability

Utility Director Morrow announced the City had scheduled a meeting for June 30, 2016 and invited 25-60 of the largest electric customers. He hoped to learn if large customers had electric loads they would be willing to curtail voluntarily should outages occur. Staff would hold a meeting for the general public regarding preparation for outages.

Solar Program Update

Utility Director Morrow reported the City received about 1 megawatt of solar power and had paid approximately \$1.7 million in rebates. SB 1 required a 10-year program for rebates, and the City was in the last year of the program. The current rebate is \$0.51 per watt. The City provided \$0.15 per kilowatt hour to customers with solar, but received value of only \$0.05. The \$0.10 difference was paid (subsidized) by other customers.

Planned Procurement of Required Local Resource Adequacy Capacity for Calendar 2017

Utility Director Morrow noted local capacity for resource adequacy capacity is mandated by the california grid operator. The City has a 31 megawatt local capacity requirement for 2017 and would need to purchase about 28 MW to meet this requirement. In addition, the electric utility needs to have at least 9 megawatts of "flexibility capacity". Staff will be seeking to obtain these amounts of capacity to enhance lectric reliability and meet its grid support obligations.

California Assembly Bill 2709 – Proposed Statewide Ban on Foil Helium-Filled Mylar Balloons

Utility Director Morrow explained that helium-filled mylar baloons were drawn to the magnetic field of power lines. When mylar balloons came into contact with power lines, it can create an electrical flash and a power outage The City

experienced a couple of outages in the past month because of contact between mylar balloons and power lines. AB 2709 which would ban mylar balloons was defeated, but the electric industry would try again.

The City Attorney and Director Morrow discussed whether cities could individually enact mylar balloon bans.

CLOSED SESSION

None

ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 7:31 P.M.



CITY CLERK/SECRETARY