



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, JULY 25, 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.

Chairman Carrillo called the meeting to order at 6:30 P.M.

Pledge to the flag was led by Board Member Alvarez.

ROLL CALL: Roll call was taken by Secretary Cornejo.

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, Assistant Director of Electric Operations Langit, Utilities Communications and Environment Programs Specialist Sagun, Utility Programs Specialist Reid, Assistant Director Resource Management Lehr, Lieutenant Bertlesen, Water System Engineer Barbosa, Management Analyst Lacasella

PUBLIC PARTICIPATION

Mr. Jorge V. Rosales inquired about the selection of Civiltech Engineering for Item D-3 and the use of an informal bid process in Item D-4, as the amount was more than \$25,000.

Utilities Director Morrow responded to the public comments stating that the City had a contract with Civiltech Engineering at the time that the project was designed.

City Attorney Ferre explained that the Municipal Code allowed staff to informally solicit bids for projects costing between \$30,000 and \$125,000.

UTILITIES DIRECTOR COMMENTS

None.

UTILITY BOARD MEMBER COMMENTS

Board Member Macias inquired about rolling power outages. Chairman Carrillo inquired about a possible transformer malfunction during the previous week.

In response to the Board Member inquiries, Utilities Director Morrow responded that no rolling power outages had occurred and he was unaware of a transformer malfunction.

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

1. The minutes of the regular meeting of June 27, 2016 were approved as written.
2. A Professional Services Agreement with IDS Group for lobby remodeling, architectural and construction management services in an amount not-to-exceed \$33,055 was approved.
3. Authorization to advertise and solicit bids for Project W-280B, installation of a new 24-inch "blend" line and associated equipment at the water treatment plant, was approved.
4. A Services & Subscriber Agreement with ChargePoint Inc to furnish and install the electric vehicle public charging stations/equipment at the Azusa Inter-Modal Parking Structure and a set a "promotional" charging rate/price of zero for using the new Level 2 charging equipment through the later of September 30, 2016 or the date when a different EV charging rate is approved by the Utility Board was approved.
5. The cancellation of the Utility Board regular meeting of August 22, 2016 was approved.

SCHEDULED ITEMS

APPROVAL OF HOOVER POWER CONTRACTS FOR 2017-2067 PERIODS.

Utilities Director Morrow presented the item stating that the current contract expires on September 30, 2017; the rate of approximately \$25 per megawatt hour was the City's least expensive resource and was cost-based; the contracts were for basic electric service and implementation; and the contracts were positive from a climate change standpoint.

Discussion of a tour of Hoover facilities ensued.

Moved by Board Member Rocha, seconded by Chairman Carrillo to approve Contract No. 16-DSR-12639 between the U.S. Department of Energy Western Area Power Administration and the City of Azusa for Electric Service and the Amended and Restated Implementation Agreement between U.S. Department of Energy Western Area Power Administration (Agreement No. 95-PAO-10616) and U.S. Department of the Interior Bureau of Reclamation (Agreement No. 5-CU-30-P1128) and the Boulder Canyon Project Electric Service Contractors by the following vote of the Board:

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

STAFF REPORTS/COMMUNICATIONS

FY 2015-2016 Third Quarter Budget Report for Water and Electric Funds

Utilities Director Morrow provided unaudited third quarter financial information for the Water and Electric Funds stating that the condition of both funds were positive. Within the Water Fund, the decline in sales continues with a decrease of 23% over fiscal year 2013; debt service coverage is marginal; and the implementation of water replacement projects would increase this fiscal year. Within the Electric Fund, sales were down 0.6% from the previous year; the fund has little debt; cash reserves are above the target level; and future projects include the Utility Modernization Project and potential enhancements to substation facilities.

Update on Activities to Prepare for Possible Electric Blackouts

Utilities Director Morrow provided an update on actions that Azusa Light & Water has undertaken in preparation for possible rotating blackouts stating that studies indicate possible electrical shortages during extreme hot weather; studies regarding possible shortages in cold weather are underway; and outreach to the public and key accounts continues.

Discussion ensued regarding contact with medical customers.

The "Duck Curve" Phenomenon

Utilities Director Morrow explained the "duck curve" phenomenon of power usage stating that most equipment with the ability to respond to increased demand are gas-fired units; the shutdown of the Aliso Canyon natural gas storage facility is a problem; Governor Brown is attempting to expand the California Regional Transmission Organization beyond California to assist with the demand issue; and the Energy Imbalance Market is attempting to mitigate the duck curve phenomenon.

CLOSED SESSION

None

ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 6:56 P.M.



CITY CLERK/SECRETARY