



**CITY OF AZUSA**  
**MINUTES OF THE REGULAR MEETING**  
**OF THE AZUSA UTILITY BOARD/CITY COUNCIL**  
**MONDAY, FEBRUARY 27, 2017 – 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.

Board Member Gonzales 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:** CARRILLO (arrived late), ROCHA, GONZALES, ALVAREZ  
**ABSENT: BOARD MEMBERS:** MACIAS

**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, Acting Captain Dennis, Water System Engineer Barbosa, Management Analyst Lacasella

**PUBLIC PARTICIPATION**

None.

**UTILITIES DIRECTOR COMMENTS**

Utilities Director Morrow noted the APPA national conference is scheduled for June 16-21 in Orlando. The Association of California Water Agencies spring conference is scheduled for May 9-12 in Monterey.

**UTILITY BOARD MEMBER COMMENTS**

None.

**CONSENT CALENDAR**

City Attorney Ferre recommended Item 1 be hold off until another Board Member arrived.

Moved by Board Member Alvarez, seconded by Board Member Rocha, to approve Consent Calendar Items 2-5 by the following vote of the Board:

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

1. The minutes of the regular meeting of January 23, 2017 - removed from the Consent Calendar.
2. An annual Cost Effective Energy Conservation Program target of 1.01% of annual energy sales for fiscal years 2018-2027 was adopted.
3. Resolution No. UB-02-2017 accepting the Grant of Easement for the property at Lot 1 of Tract 72922 in Book 1389, Page 27-29 was adopted; and the City Clerk was authorized to file the easement in the office of the Los Angeles County Recorder.
4. The scope of work for performing preventive maintenance on the circuit breakers and associated relays at Azusa Substation was approved; and the City Clerk's office was authorized to advertise and solicit bids.
5. Competitive purchase requirements pursuant to Section 2-521(a), Article VII, Chapter 2 of the Azusa Municipal Code were waived; execution of a Task Order with Richard Heath & Associates at a cost not to exceed \$40,000 for the purchase and installation of LED lights and occupancy sensors in the Azusa Library was approved; and the Director of Utilities was authorized to execute the Task Order, in a form acceptable to the City Attorney, on behalf of the utility.

[The Board returned to Item D-1 after Item E-2.]

Moved by Board Member Gonzalez, seconded by Board Member Alvarez, to approve the minutes of the regular meeting of January 23, 2017, as presented:

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

### **SCHEDULED ITEMS**

1. Potential Assignment of Azusa's Share of Puente Hills Landfill Gas to Energy Project to City of Banning.

Utilities Director Morrow recalled that the Board approved ALW's participation in the Puente Hills Landfill Gas to Energy Project in 2014. Under a 14-year contract, ALW received a 1 megawatt share of the project. The Power Resource Group noticed many solar projects in ALW's energy portfolio are operating much more efficiently than staff had expected, which means ALW has more renewable energy in its bank. Staff thinks that surplus will continue. The Puente Hills Project is the most expensive renewable energy in ALW's portfolio; although, the price was extremely attractive in 2014 and is still relatively attractive today for base load energy. Staff had discretely inquired whether other partners in the project were interested in acquiring ALW's share of the project and learned that the City of Banning may be interested. He sought the Utility Board's authorization for him or the Assistant Director of Power Resources to enter into discussions with the City of Banning or another city to explore possible reassignment of ALW's share of the project. If ALW needed renewable energy at any given time in the future, the market price would be well below the current price of Puente Hills energy.

Moved by Board Member Alvarez, seconded by Board Member Rocha, to authorize the Director of Utilities, or his designee, to enter into non-binding negotiations to potentially assign Azusa Light & Water's share of the Puente Hills Project contract to the City of Banning:

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

2. Approve Plan and Specifications of Project LD2017-1 for Retrofitting Existing High Pressure Sodium (HPS) Street Light Fixtures to Light Emitting Diode (LED) Fixtures Along Foothill Boulevard and Alost Avenue within the City Limits.

Utilities Director Morrow reported the current year capital budget includes some monies for an LED street light demonstration project. LED lights offer better light quality, more reliability, a longer lifespan, lower maintenance costs, lower energy consumption, and less environmental impact than the City's existing high pressure sodium alternatives. Before the Board considers replacing 2,300 HPS lights in the City with new or more modern technology, staff proposes a demonstration project along Foothill Boulevard and Alost Avenue within the city limits and the Foothill piece in front of APU. LED lights placed in some parks and neighborhoods had received positive feedback from the public. Because LED lights put out more light, staff would have to manage the amount of light to avoid glare. Within the proposed area, lights were located on single-mast and double-mast concrete poles and a few traffic signal poles. To manage the project in a cost-effective manner, staff is not proposing to change any of the poles but to use existing wiring and retrofit the fixture. A photometric study showed Leotek fixtures provide a high average lumen level and more uniform light. Electric crews like Leotek fixtures because they are easiest to install and maintain. With approximately 250 lights in the demonstration area, staff believes that would be a visible location. After LED lights have been in place for a while, staff could survey the community to determine acceptance and then consider developing a broader plan. Some of the existing mast arms are rusted, damaged, or mismatched; therefore, staff proposes replacing those arms only. If the Board were to proceed with utility modernization, the Leotek devices could be retrofitted with a smart controller to lower and raise lights remotely. Staff proposes a turnkey retrofit project involving procurement and installation of fixtures and replacement of damaged masts. Leotek offers standard colors of gray, bronze, and black. There would probably be a nominal upcharge for color fixtures, but staff would return with colors and information to determine the Board's interest. The current year's budget would cover a portion of the project with the residual portion being placed in the 2018 budget.

In response to Board Member Gonzales' questions, Utilities Director Morrow explained that a contractor would install new mast arms where needed and the light fixtures. City crews are capable of installing the fixtures, but they are involved in many projects already. Assistant Director Langit added that the location of the roadway would require traffic delineation, which takes a lot of manpower. It would be better to seek additional manpower through a contractor. Utilities Director Morrow indicated City crews would be responsible for maintenance and replacement of fixtures.

Moved by Board Member Rocha, seconded by Board Member Alvarez, to approve the plan and specifications for Street Light Retrofitting Project LD2017-1, retrofitting high pressure sodium (HPS) street light fixtures to light emitting diode (LED) fixtures along Foothill Boulevard and Alost within City Limits; and to authorize the City Clerk to advertise the project and solicit formal bids:

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

Chairman Carrillo joined the meeting at 6:45 p.m.

[The Board returned to Item D-1, the minutes of January 23, 2017.]

## STAFF REPORTS/COMMUNICATIONS

### Public Benefit Low-Income Assistance Program.

Utilities Director Morrow advised that ALW provides one free month of electricity to customers who qualify for low-income assistance for the electric bill. In Fiscal Year 2016, ALW provided about \$44,000 in discounts to 536 qualified customers. The average discount is approximately \$81 versus the typical average bill of \$63. The low-income customers are actually getting good value. The complexity of this project requires a great deal of interface with customers as they try to identify the highest usage month and recall when it's time to reapply. The process is tricky and not efficient. In addition, many customers increase their electricity usage during the free month. Staff wanted to find out if the current program was the right model for a low-income assistance program. After contacting other utilities, staff found that most utilities use a fixed discount. He wanted to introduce the concept today and return at a later time with a proposal for a fixed amount that would probably be consistent with the average discount and would discourage increased electricity usage during the free month. Eligible customers will know exactly what they're going to get and when they're going to get it.

In reply to Chair Carrillo's inquiry, Utilities Director Morrow felt he could return as early as March with information.

### Planned Procurement of Required System, Local, and Flexible Resource Adequacy Capacity for Calendar Year 2018.

Utilities Director Morrow reported that ALW is required each year to purchase or provide a certain amount of capacity to serve the electric load. The California Independent System Operator tells each entity how much it needs to provide of resource adequacy, local, and flexible capacity. ALW's resource adequacy capacity requirement for the next year is 47 megawatts, local capacity 22 megawatts, and flexible capacity 12 megawatts. Staff would purchase those amounts under a competitive process, consummate contracts under the risk management policy, and return to the Board with the results.

### Affirmation by the California Energy Commission Regarding Azusa's Compliance with Renewable Portfolio Standards.

Utilities Director Morrow advised that staff brings this information to the Utility Board because it is the responsible governing authority for ALW's renewable performance in California. The State finished its analysis of 2011-2013 compliance obligations when all utilities in the State were required to have 20 percent renewable energy. The State determined that ALW met the 20 percent standard and provided documentation in that regard. The Legislature continues to be interested in moving forward with renewables.

### Water Supply Update.

Utilities Director Morrow showed a video that reflects the transition of the drought from 2011 through today. The colors on the map shows the drought intensity. As of today, the drought has departed. Santa Barbara and Ventura Counties still have a bit of dark area, but the drought is much improved with a dramatic change from January 10, 2017 to today. With a few exceptions, all metrics look great. The State Water Project allocation could go to probably 80 percent soon. There is some pickup in reservoir storage, and the basin level has increased. On February 7, the Water Board voted to continue emergency water rules, wanting to see more improvement. Neighboring water agencies are continuing watering restrictions, but they might relax them a bit over the next few months. He might bring back a couple of options on restrictions going forward. The State found some quagga mussel in the east fork of the San Gabriel River. The County will not let ALW put any water into the river bed that has the potential of infesting the river. Right now, MWD has stopped putting any water into the river through the upper connection. The Four Cities District may have to stop making deliveries to ALW.

In response to Chair Carrillo's questions, Utilities Director Morrow did not know how the quagga mussel infestation occurred, but he would provide information if he learned any. The County has rules that do not allow it to be introduced into the river and is reviewing its policies for putting water in the river. Maybe they will change their strategy or plans. Nobody wants those in water treatment plants or pipelines because they pollute large bodies of water very quickly.

**CLOSED SESSION**

None

**ADJOURNMENT**

Utilities Director Morrow introduced ALW's newest employee, Judy Tran.

The meeting was adjourned by consensus of the Utility Board.

**TIME OF ADJOURNMENT: 7:02 P.M.**



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**CITY CLERK/SECRETARY**