



**CITY OF AZUSA**  
**MINUTES OF THE REGULAR MEETING**  
**OF THE AZUSA UTILITY BOARD/CITY COUNCIL**  
**MONDAY, JUNE 26, 2017 – 6:30 P.M.**

Chairman: Uriel Edward Macias  
Vice Chairman: Robert Gonzales  
Board Member: Joseph Romero Rocha  
Board Member: Edward J. Alvarez  
Board Member: Angel A. Carrillo  
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.

Chair Macias called the meeting to order at 6:30 P.M.

The Pledge of Allegiance was led by Police Captain Paul Dennis.

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

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

**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 Environmental Programs Specialist Sagun, Utility Programs Specialist Reid, Assistant Director Resource Management Lehr, Acting Captain Dennis, Water System Engineer Barbosa, Chief Deputy City Clerk Garcia, Management Analyst Lacasella

**PUBLIC PARTICIPATION**

Mr. Jorge V. Rosales announced the 13<sup>th</sup> Annual Korean Armistice Day Ceremony on July 27, 2017.

Dr. Jose Diaz discussed his concerns about the Net Metering process and the 10 KW energy cutoff for solar panels.

The Board requested that Item F-1 be presented first in order to address Dr. Diaz's concerns.

**Update on Customer-Installed Solar Generation**

Utilities Director Morrow provided information regarding the installation of customer-owned solar or wind generation stating that customers utilizing under 10 KW are able to use the Net Energy Metering Agreement and those in excess of 10 kilowatts would use a Co-Energy Metering Agreement and the rates are in conformance with State law. Background on the process was provided.

Discussion ensued regarding the Net Metering Agreement process, energy overproduction, and the options available to Dr. Diaz in response to his concerns.

### **UTILITIES DIRECTOR COMMENTS**

Utilities Director Morrow stated that Staff was working with the County on dealing with the algae bloom in the Los Angeles County north spreading basin.

Mr. Al Contreras, Vice President and Ms. Patty Cortez, Director of Community & Government Affairs of the Upper San Gabriel Municipal Water District provided an overview of the District; gave an update on the drought; and an update on imported water resources.

### **UTILITY BOARD MEMBER COMMENTS**

Chair Macias wished everyone a happy summer.

### **CONSENT CALENDAR**

Moved by Board Member Carrillo, seconded by Board Member Alvarez, to approve the Consent Calendar by the following vote of the Board:

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

1. The minutes of the regular meeting of May 22, 2017 were approved as written.
2. An Amended and Restated Professional Services Agreement with InContact, Inc. for call management system services was approved and the Mayor was authorized to execute the agreement in a form acceptable to the City Attorney.
3. A \$25,000 increase to InfoSend's blanket purchase order for Fiscal Year 2016-17 to include the added costs for merchant account reversals was approved.
4. The Second Amendment to Astoria 2 Power Sales Agreement with Southern California Public Power Authority was approved and the Mayor was authorized to execute the amendment in a form acceptable to the City Attorney.

### **SCHEDULED ITEMS**

#### **Power Cost Adjustment Charge (PCA) Stabilization Plan**

Utilities Director Morrow presented the Staff Report stating that the power cost adjustment rate tariff resets and adjusts power cost portion of the electric rates based on actual costs; a \$6.7 million reduction in power supply costs was predicted for Fiscal Year 2017-18; Staff is predicting an increase in power supply costs for Fiscal Year 2020-21 and beyond due to new rules and restrictions. Staff proposed a 10% rate reduction for customers from budgeted FY 2017 revenues with the establishment of a power cost adjustment stabilization account.

Board Member Carrillo offered Resolution No. UB-08-2017 entitled:

**A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, TO ESTABLISH A POWER COST ADJUSTMENT STABILIZATION PLAN**

Moved by Board Member Carrillo, seconded by Vice Chair Gonzales, and carried by unanimous vote of the Board to adopt Resolution No. UB-08-2017 approving a PCA Stabilization Account and a target PCA level in Fiscal Years 2018, 2019, and 2020.

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

**STAFF REPORTS/COMMUNICATIONS**

Electric Distribution System Planning Study Update

Utilities Director Morrow gave an update on the long term Electric Distribution System Planning Study stating that findings show the need to increase substation capacities, circuit updates to provide additional flexibility, and distribution automation. The projects would need to be considered for implementation within the next 5 to 10 years.

Municipal Facilities Utility Audits and Solar Assessment

Utilities Director Morrow gave an update on the water and energy efficiency audits of City facilities stating that there is a cost savings potential of \$87,965 with a 7.46 year payback period and solar installations would cost about \$4.1 million with a payback period of 22.8 years. An overview of the report and implementation plan was provided.

Renewable Portfolio Standard Annual Compliance Filing for Calendar Year 2016

Utilities Director Morrow presented the 2016 Renewable Portfolio Standard (RPS) Annual Compliance Report stating that Azusa Light & Water achieved the required 25% RPS. The standard is expected to increase by 2% each year until 2020 when it will reach 33%.

In response to questions posed by the Board, he stated that Azusa Light & Water has not purchased any additional windmills in the Palm Springs area but it has been considered; a total of 13 are currently owned by the Utilities Department; and windmills in Wyoming may be attractive due to the large scale, although transmission costs must be considered. Discussion ensued regarding wind power stations.

Results of California's May 16, 2017 GHG Allowance Auction

Utilities Director Morrow presented the results of the May 16, 2017 Greenhouse Gas Allowance Auction stating that Azusa Light & Water sold all submitted Allowances with \$861k in proceeds.

Aliso Canyon Update

Utilities Director Morrow gave an update on the Aliso Canyon Natural Gas Storage Facility stating that the facility is non-operational; Staff will continue to monitor the situation.

**CLOSED SESSION**

None.

**ADJOURNMENT**

The meeting was adjourned by consensus of the Utility Board.

**TIME OF ADJOURNMENT: 7:30 P.M.**



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**CITY CLERK/SECRETARY**