



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
TUESDAY, MAY 29, 2018 – 6:30 P.M.

Chairman: Robert Gonzales
Vice Chairman: Edward J. Alvarez
Board Member: Joseph R. Rocha
Board Member: Angel A. Carrillo
Board Member: Uriel E. Macias
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 Gonzales called the meeting to order at 6:30 P.M.

Pledge to the flag was led by Board Member Macias.

ROLL CALL: Roll call was taken by Secretary Cornejo.

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

ABSENT: BOARD MEMBERS: NONE

ALSO PRESENT

Elected Officials: Secretary Cornejo

City Attorney: Jeff Ferre

Staff Members: Acting Utilities Director Lehr, City Manager Gonzalez, Public Works Director Bobadilla, Assistant Director of Water Operations Macias, Utilities Admin & Financial Services Manager Tran, Storekeeper Alvarez, Police Captain Bertelsen, Chief Deputy City Clerk Garcia

A. PUBLIC PARTICIPATION

None

B. UTILITIES DIRECTOR COMMENTS

None

C. UTILITY BOARD MEMBER COMMENTS

None

D. CONSENT CALENDAR

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

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

1. The minutes of the regular meeting of April 23, 2018 were approved as written.
2. The selection of Stantec Consulting Services, Inc., and award of Engineering Services Task Order Number 5 for the proposed underground Electric Line Extension along Todd Avenue, Project LD2018-1, in a not-to-exceed amount of \$51,300 were approved; and, the issuance in accordance with Azusa Municipal Code Section 2-518, Contracts (c), Master Professional Services Contracts, of a Purchase Order for Task Order Number 5 in the not-to-exceed amount of \$51,300 was authorized.
3. A one-year extension of the existing Maintenance Services Agreement between Azusa Light & Water and Henkels & McCoy was approved; and, the re-issuance of a revised Purchase Order in the original not-to-exceed amount of \$150,000 for the duration of the extended one-year term ending May 31, 2019, was authorized.

E. SCHEDULED ITEMS

None

F. STAFF REPORTS/COMMUNICATIONS

1. Fiscal Year 2017-2018 Third Quarter Budget Reports for Electric and Water Funds

Interim Utilities Director Lehr reported the Water Fund showed negative cash flow of \$1.8 million because of the transfer of Capital Improvement Program (CIP) funds. Total revenues at 75 percent and operating expenses at 74 percent tracked the budgeted amounts. Debt coverage was 1.37, near the minimum of 1.25. Water sales increased 10.2 percent over the previous year, partially resulting from an increase in the number of customers. Volumetric water usage increased about 12 percent. The Electric Fund showed a positive cash flow of \$2 million. Total revenues totaled 76 percent and operating expenses totaled 72 percent of budgeted amounts. Retail electric sales decreased 7.6 percent over the prior year.

In response to questions, Interim Utilities Director Lehr advised that capital improvement expenditures in the Water Fund related to general repairs, main replacements, and automated metering infrastructure (AMI).

2. Extension of Water Supply Agreement with Miller Coors LLC

Interim Utilities Director Lehr indicated staff is negotiating an extension of the Water Supply Agreement with Miller Coors for a second five-year term. The original agreement provides a total of three five-year extensions. Every two years, staff reviews water fees charged Miller Coors and adjusts the fees as needed.

In answer to Board Members' questions, Interim Utilities Director Lehr clarified that the original agreement was renegotiated in 2009 when Miller bought Coors. He agreed to arrange a tour of the facility.

3. APPA 2018 Reliable Public Power (RP₃) Gold Designation Award

Interim Utilities Director Lehr reported the American Public Power Association (APPA) awarded ALW its third Gold Award and a certificate of Excellence in Reliability. The Gold Award recognizes reliability, safety, workforce development, and system improvement. Of the 1,400 APPA members, perhaps 100 receive the Gold Award.

G. VERBAL COMMUNICATIONS

1. Water Supply Update

Interim Utilities Director Lehr advised that there had been no changes in rainfall and snow pack since the March report. The Main San Gabriel Basin as of May 18 is only 8.8 feet above the all-time low level, which will require multiyear recharge programs. As of May 29, 25,000 acre feet of water is stored in the San Gabriel River reservoirs, which represents an increase over the amount reported in April. Water allocations for the San Gabriel Valley Municipal Water District (SGVMWD) have been increased to 35 percent. On April 30, staff removed the notification for residents to voluntarily extend the winter watering schedule.

Utilities Communications and Environment Programs Specialist Sagun indicated the Shred-a-Thon is held twice a year in April and September. Currently, the event has shredded more than 111,000 pounds of paper, which is recycled in a State-certified recycling facility. In 2016, the collection of electronic waste was added to one Shred-a-Thon per year. The most common waste recycled is computer components, CRT and LCD monitors, printers, fax machines, and copiers. Both programs aid the City in complying with the requirements of AB 939.

2. General Policy and Regulatory Updates

None

H. CLOSED SESSION

None

I. ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 6:51 P.M.



CITY CLERK/SECRETARY