



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, JULY 23, 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 6:33 P.M.

Pledge to the flag was led by Board Member Rocha.

ROLL CALL: Roll call was taken by Secretary Cornejo.

PRESENT: BOARD MEMBERS: GONZALES, ROCHA, CARRILLO

ABSENT: BOARD MEMBERS: ALVAREZ, MACIAS

ALSO PRESENT

Elected Officials: Secretary Cornejo

City Attorney: Jeff Ferre

Staff Members: Interim Utilities Director Lehr, City Manager Gonzalez, Assistant Director of Water Operations Macias, Police Captain Mike Bertelsen, Storekeeper Alvarez, Senior Electrical Engineer Vuong, Assistant Chief Deputy City Clerk Juarez

A. PUBLIC PARTICIPATION

None

B. UTILITIES DIRECTOR COMMENTS

Interim Utilities Director Lehr noted the effects of the heatwave on the water and electricity utilities. The Independent System Operator (ISO) issued a "no touch operating order" (no work on transmission or generation assets is allowed, unless it's emergency). The current meeting is his last as Interim Utilities Director.

Board Members thanked Interim Utilities Director Lehr for his service to the City.

C. UTILITY BOARD MEMBER COMMENTS

Board Member Carrillo appreciated Interim Utilities Director Lehr's sharing with the public the need for energy conservation during the heatwave.

D. CONSENT CALENDAR

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

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

1. The minutes of the regular meeting of June 25, 2018 were approved as written.
2. The proposal submitted by Infosend, Inc., for utility bill print and mailing services was accepted; pursuant to the Azusa Municipal Code Section 2-538 regarding the awarding of contracts, the City Manager was authorized to execute a professional services agreement in a form acceptable to the City Attorney with Infosend, Inc., for three years from August 1, 2018 to July 31, 2021 without price increase; and the issuance of a contract purchase order to Infosend, Inc. in the amount of \$135,000 for each year of the contract was authorized.
3. Well 6 project improvements outlined in Task Order Number 5 and 6 were accepted; the Notice of Completion was approved; the Mayor was authorized to execute the document on behalf of the City; and the City Clerk was authorized to submit the Notice of Completion for recordation to the Office of the County Recorder of Los Angeles County within ten days of the Utility Board approval as required by Section 3093 of the California Civil Code.
4. Azusa Avenue Water Main Replacement project improvements outlined in W-289 plans and specifications were approved; the Notice of Completion was approved; the Mayor was authorized to execute the document on behalf of the City; and the City Clerk was authorized to submit the Notice of Completion for recordation to the Office of the County Recorder of Los Angeles County within ten days of the Utility Board approval as required by Section 3093 of the California Civil Code.
5. The Utility Board regular meeting of August 27, 2018 was canceled.

E. SCHEDULED ITEMS

None

F. STAFF REPORTS/COMMUNICATIONS

1. Assessment of Azusa Light & Water's Water System

Interim Utilities Director Lehr reported the water system spans 14 square miles and encompasses all of Azusa and portions of Irwindale, Covina, West Covina, and unincorporated Los Angeles County. Assets include 280 miles of water mains, 13 storage reservoirs, 11 active groundwater wells, two inactive water wells, a water filtration plant, an import water interconnection with the Municipal Water District (MWD), ten pressure regulating stations, approximately 23,500 customers, and two emergency interconnections. On a summer day, the demand for water is 81-103 acre feet per day. Canyon Basin wells provide high-quality water that is almost immediately potable. Water in the Main Basin is more abundant, but groundwater in the area where Azusa's wells are located is contaminated. At least four of the 13 reservoirs have floor and wall cracks, do not comply with seismic requirements, and are at risk of failure. Replacement of the South Reservoir has been included in the five-year Capital Improvement Program (CIP), and two steel reservoirs are scheduled for recoating. With respect to the booster stations, preventive maintenance is ongoing; however, many motors, valves,

meters, and motor controls need to be replaced. Two booster stations need equipment upgrades to maintain efficiency. Several structures that house booster pumps need to be replaced or upgraded. Most water lines were installed in the early to mid-1900s, and engineering design standards anticipate a 75-year lifespan for water mains. Water system infrastructure has ongoing and multiple leaks because of its age. The water system experiences three times the number of leaks established in American Water Works Association guidelines. To meet established guidelines, ALW would need to replace approximately 3.7 miles of water lines per year, but current funding allows replacement of approximately one mile per year. ALW has interconnections with MWD for purchase of supplemental water and with Valley County Water District and the City of Glendora for emergency situations. The Board recently approved an increase in the replacement water cost adjustment factor to fund cost increases from the San Gabriel Valley Municipal Water District.

In reply to Board Members' questions, Assistant Director of Water Operations Macias explained that the purity of well water allows it to be blended with treated water. The filtration plant takes surface water from the river, treats it, and blends it with well water. Chlorine is added to well water as it is pumped from the ground. Interim Utilities Director Lehr noted another interconnection between the state water pipeline and the filtration plant should be operational by September or October. The prioritization and fiscal impact of system improvements will be presented to the Board in the future.

2. LED Streetlight Retrofit Project Update

Interim Utilities Director Lehr advised that the public has responded positively to the street light retrofit program. Importantly, LED lights utilize 50 percent less energy than high pressure sodium lights. As of January, 399 lamps have been replaced along Foothill and Alosta. Staff plans to replace additional lights along Citrus, Azusa, and San Gabriel. These additional replacements will be funded from Public Benefit Charge (PBC) funds collected from electric ratepayers.

G. VERBAL COMMUNICATIONS

1. Water Supply Update

Interim Utilities Director Lehr reported no changes in rainfall or snow pack since the last Board meeting. The Main San Gabriel Basin is currently 4.5 feet above the all-time-low level.

In answer to Board Member queries, Assistant Director of Water Operations Macias indicated the all-time-low level for the Main San Gabriel Basin occurred in October 2016. Measurements taken at the Main San Gabriel Basin provide an indication of the state of the overall basin. Staff advised that they had asked the Watermaster about benefits provided to them through the Water Resource Development Assessment (RDA) and more specifically about RDA assesment on water diverted from the river and Devil Canyon Pipeline. As water is purchased with RDA funds, ALW can divert untreated water to the treatment plant. Interim Utilities Director Lehr clarified that the fee was originally charged for every acre foot of water pumped from the Main Basin.

2. General Policy and Regulatory Updates

Interim Utilities Director Lehr advised that the Department of Energy (DOE) is preparing a Grid Resiliency Policy, which will benefit coal-powered plants and nuclear power plants. Advanced Energy Economy released a study indicating the policy would cost ratepayers \$34 billion, and the coal and nuclear owners/operators contested the study. The Public Utilities Commission (PUC) is exploring a requirement for three-to-five years of capacity. If enacted, the program could begin in 2020. The primary question is creation of a centralized capacity market. PG&E expects to begin the permitting process to decommission the Diablo Canyon nuclear power plant in 2019. In addition, PG&E and the PUC have discussed a process for tracking costs over and above costs required by the Nuclear Regulatory Commission (NRC). Energy prices in quarters 1 and 2 of 2018 increased substantially over the same quarters of 2017 because of less Sierra hydroelectric generation, increased natural gas prices, and high temperatures in Southern California and Arizona. ALW's purchase of summer energy hedges is proving to be beneficial.

H. CLOSED SESSION

None

I. ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 7:13 P.M.



CITY CLERK/SECRETARY