



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, NOVEMBER 26, 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: Utilities Director Robledo, Assistant Director of Water Operations Macias, Utilities Programs Specialist Reid, Senior Electrical Engineer Vuong, Utilities Administrative & Financial Services Manager Tran, Public Works Director Bobadilla, Police Captain Grant, Storekeeper Alvarez, Chief Deputy City Clerk Garcia

A. PUBLIC PARTICIPATION

None

B. UTILITIES DIRECTOR COMMENTS

Utilities Director Robledo reported the City has not experienced any power outages or significant water leaks. Staff has been repairing water distribution leaks. For safety, the remodel project of the lobby will include bullet-proof glass around staff's desks. The remodel project should be complete by June 30, 2019. Current employees have been promoted to the positions of Assistant Director of Power Resources and Assistant Director of Customer Care Solutions. They will begin their new duties December 3, 2018. A qualified candidate is undergoing a background check for the position of Assistant Director of Electric Operations. The Association of California Water Agencies featured Engineering Associate Melissa Barbosa in an article. During the Winter Fiesta, residents can exchange their incandescent holiday lights for LED holiday lights. ALW's contract for facility and landscape maintenance will expire soon, and the new contract will be a part of the City contract.

C. UTILITY BOARD MEMBER COMMENTS

None

D. CONSENT CALENDAR

Vice Chair Alvarez requested Item Number 4 be removed from the Consent Calendar.

Moved by Vice Chair Alvarez, seconded by Board Member Rocha, and carried by unanimous vote of the Board to approve Consent Calendar Items D-1 to D-5 with the exception of Item D-4 which was handled under the Special Call portion of the agenda:

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 October 22, 2018 were approved as written.
2. The project plans and specifications for Project W-351, water main replacement on Sunset Avenue between 5th Street and 6th Street in the City of Azusa, were approved; and the advertisement and solicitation of bids for Project W-351 were authorized.
3. An amendment of the Professional Services Agreement with IDS Group to extend the term through June 30, 2019 was approved; and the Mayor was authorized to execute the contract amendment.
5. The cancellation of the scheduled December 24, 2018 Regular Utility Board Meeting was approved.

SPECIAL CALL

PURCHASE OF A FORD SUPER DUTY TRUCK FOR ELECTRIC OPERATION

In response to Vice Chair Alvarez's questions regarding Item Number 4, Utilities Director Robledo explained that tools referenced in the description included a built-in generator and inverter. The tools are not portable but attached to the truck. Unlike the previous truck, the new truck will have a back-up camera. The truck will be used by the crew supervisor. The new truck will replace one of the two existing trucks. Both existing trucks are approximately the same age.

Moved by Vice Chair Alvarez, seconded by Board Member Carrillo, and carried by unanimous vote of the Board to waive the competitive purchase requirements pursuant to Section 2-521(a), Article VII, Chapter 2 of the Azusa Municipal Code (Cooperative and Piggyback Purchasing); approve the purchase of one (1) new 2019 Ford Super Duty F-350 DRW (W3G) XL 2-WD Crew Cab and Royal Contractor Body with Drop-Down Sides and Equipment; and authorize the issuance of a Purchase Order to National Auto Fleet Group in an amount not-to-exceed \$56,926.17.

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

E. SCHEDULED ITEMS

None

F. STAFF REPORTS/COMMUNICATIONS

1. FY 2018-19 First Quarter Budget Reports for Water and Electric Funds

Utilities Director Robledo reported first quarter Water revenues are approximately 28 percent of the budgeted amount, and first quarter expenses are 23 percent of the budgeted amount. Retail billing has increased 5.4 percent over the first quarter of the prior year because of the increase in the water cost adjustment charge. Cash flow has decreased by \$4.1 million due to the increased purchase of water. Cash reserves total \$24.3 million. Debt service coverage is good. Electric cash flow is positive at \$1.2 million. Cash reserves total \$28.1 million. Retail billing has increased 5.5 percent over the first quarter of the prior year due to the power cost adjustment. Revenues for the quarter are 32 percent of the budgeted amount, and operating expenses are 26 percent of the budgeted amount. Debt service coverage is also good.

G. VERBAL COMMUNICATIONS

1. Power Supply Update

Utilities Director Robledo advised that ALW's power supply is comprised of 35.2 percent renewables, 1.5 percent Hoover Power Plant, 14 percent Lodi Energy Center, 7.3 percent Paloverde, and 36.5 percent purchases from Citi and the California Independent System Operator (CAISO). Staff is negotiating an agreement to purchase additional wind energy. Wind energy will be a good match to complement the existing solar energy. Year-to-date energy consumption has decreased about 2.9 percent over 2017 due to increased efficiency and changes in customers' use of their facilities.

In response to questions, Utilities Director Robledo indicated a purchase of wind energy would replace around 10 percent of the Citi and CAISO purchases. ALW receives 6.5 megawatts (MW) from Garnet. ALW could receive 30 MW from the new agreement.

2. Water Supply Update

Utilities Director Robledo related that the weather forecast includes needed rain. ALW is receiving water from the Watermaster's purchase from the Metropolitan Water District (MWD) via the Upper San Gabriel Valley Municipal Water District. The Main San Gabriel Basin at 169.5 feet is at an all-time low. Hopefully, the purchased water will offset some of the decrease in the Basin. The Morris, San Gabriel, and Cogswell Reservoirs are currently near minimum levels and can provide about 770 acre feet of water until the next season. The levels of State Water Project Reservoirs are below average. ALW receives water from Lake Oroville and the San Luis Reservoir through the San Gabriel Valley Municipal Water District (SGVMWD). Since October, California has received no snowfall and 0.6 inch of rain. MWD has 2.5 million acre feet of water in storage and water available for purchase at a cost of \$831 per acre foot, which is approximately four times the price ALW pays. New channels at the treatment plant are almost complete. The Water Main Replacement project will replace 650 feet of existing pipe with new 8-inch ductile iron pipe on Vernon between Sixth and Santa Fe. ALW staff is performing the work. The project will be complete prior to the street rehabilitation project scheduled for early 2019.

3. General Policy and Regulatory Updates

Utilities Director Robledo reported staff monitors issues which affect power and water utilities through the Southern California Public Power Authority. A rally is held in early February to educate new Legislators regarding utility issues. Wildfires are an issue for investor-owned utilities.

H. CLOSED SESSION

None

I. ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 6:54 P.M.



CITY CLERK/SECRETARY