



**CITY OF AZUSA**  
**MINUTES OF THE REGULAR MEETING**  
**OF THE AZUSA UTILITY BOARD**  
**TUESDAY, MAY 28, 2019 – 6:30 P.M.**

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

Chairman Alvarez called the meeting to order at 6:30 P.M.

Pledge to the flag was led by Police Captain Grant.

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

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

**ABSENT: BOARD MEMBERS:** CARRILLO

**ALSO PRESENT**

**Elected Officials:** Secretary Cornejo

**City Attorney:** Marco Martinez

**Staff Members:** Utilities Director Robledo, Assistant Director of Water Operations Macias, Assistant Director of Resource Management Torres, Utilities Programs Specialist Reid, Senior Electrical Engineer Vuong, Utilities Administrative & Finance Services Manager Tran, Senior Management Analyst Smith, City Manager Gonzalez, Finance Director Johnson, HR Director Bragg, Economic & Community Development Director Marquez, Public Works Director Bobadilla, IT/Library Services Director Graf, Recreation & Family Services Director Carpenter, Police Chief Hunt, Economic Development Specialist Campos, Planning Manager Munoz, Police Captain Grant, Community Improvement Manager McMinn, Storekeeper Alvarez, Assistant Director of Finance Honis, Assistant Director of Public Works Delgadillo, Assistant Chief Deputy City Clerk Juarez

**A. PUBLIC PARTICIPATION**

None

**B. UTILITIES DIRECTOR COMMENTS**

Utilities Director Robledo reported the new Chevrolet Volts have arrived and have been deployed in the Police Department, but staff is awaiting the chargers. During Drinking Water Week, 42 members of the public participated in tours at the treatment facility and received water conservation gifts.

**C. UTILITY BOARD MEMBER COMMENTS**

Board Members Rocha and Macias thanked staff for keeping Board Members informed of City events and for removing graffiti on a holiday.

**D. SCHEDULED ITEMS**

1. Approval of Renewable Power Purchase and Sale Agreement between City of Azusa and Mesa Wind Power Corporation.

Utilities Director Robledo reported the agreement contains a 25-year term and sets the cost of power at \$39.50 per Megawatt (MW) hour. Power from Mesa RP30 should be more predictable than other wind projects because it is located in a high-wind area of Palm Springs; however, ALW will continue to need other resources to back up Mesa RP30. On average, Mesa RP30 will produce approximately 15 MW of power around the clock, which will complement power from ALW's solar resources. ALW will receive all power produced from the project and pay only for the power produced. With this power resource, ALW will be one of the most, if not the most, renewable municipal utility in the area by 2022. The project is scheduled for completion by the end of 2021. Staff reviewed other options that were outside the state and in San Diego, but their transmission costs were higher than those of the Mesa RP30 project. Brookfield Renewable, developer of the project, has posted a letter of credit that will benefit ALW if the project is not completed or underproduces. Brookfield Renewable is a large company that owns renewable projects around the world. There is a high probability for a successful project. Renewable energy comprises 32.5% of ALW's portfolio. With this project, renewable energy will exceed 80% of the portfolio. After two power agreements mature and drop out of the portfolio, renewable will total 67% for the next 20 years. ALW's compliance obligation is 60% with a goal of 100% carbon neutral energy.

In reply to questions from the Board, Utilities Director Robledo indicated the project is located north of I-10. The turbines are expected to operate for 25 years before needing major overhaul. New turbines can withstand higher wind speeds than earlier models.

Moved by Board Member Macias, seconded by Board Member Gonzales, to adopt Resolution 2019-UB-05 to approve a long-term Renewable Power Purchase and Sale Agreement between the City of Azusa and Mesa Wind Power Corporation for the purchase of 30 Megawatts (MW) of wind energy over a period of 25 years, by the following vote of the Board:

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

**E. CONSENT CALENDAR**

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

AYES: BOARD MEMBERS: ALVAREZ (Items E-2 – E-9), ROCHA, GONZALES, MACIAS  
NOES: BOARD MEMBERS: NONE  
ABSENT: BOARD MEMBERS: CARRILLO  
ABSTAIN: BOARD MEMBERS: ALVAREZ (Item E-1 only)

1. The minutes of the regular meeting of April 22, 2019 were approved as written.
2. The 2018 Power Source Disclosure Program Annual Report and the 2018 Power Content Label were approved; and the Director of Utilities or his designee was authorized to execute and submit the Power Source Disclosure Program Attestation Form.

3. The First Amendment to the Professional Services Agreement (First Amendment) with Northstar Chemical, as a DBA of Pacific Star Chemical, to provide water treatment chemical and equipment services in an amount not to exceed \$175,000 annually, in accordance with Azusa Municipal Code Section 2-517(a)(24), was approved; and the Mayor was authorized to execute the First Amendment in a form acceptable to the City Attorney on behalf of the City.
4. The existing blanket purchase order to procure meter locking rings from Inner-Tite Corporation for Phase II Implementation of the Advanced Meter Infrastructure Project was amended to the amount of \$250,000 for the acquisition of 14,000 additional locking rings.
5. The Award of Contract for Project CS-01, Azusa Light and Water Customer Service Remodel, to RS Construction & Development, Inc. of Upland California was approved; and the Mayor was authorized to execute the document on behalf of the City.
6. The Award of Contract for Water Project W-347, Citrus Avenue and Foothill Boulevard 830 Tie-In, to C.P. Construction Co., Inc. of Ontario, California was approved; and the Mayor was authorized to execute the Contract in a form acceptable to the City Attorney.
7. The San Gabriel Valley Municipal Water District (SGVMWD) Interconnect and Site Improvements Project, as outlined in W-280A Plans and Specifications, was 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.
8. Task Order Number 8 Professional Engineering Services to provide Design & Contract Documents for the Triangle Flow Control Structure Project W-354 was awarded to Stantec Consulting Services, Inc.; the issuance of a Purchase Order for Task Order Number 8, for a not-to-exceed price of \$27,600 in accordance with Azusa Municipal Code Section 2-518 – Contracts (c), Master Professional Services Contract was authorized.
9. Professional Engineering Services for the North Reservoir Rehabilitation Project was awarded to Civiltec Engineering, Inc.; issuance of a purchase order for a not-to-exceed price of \$44,430 was authorized; and the Mayor was authorized to execute in a form acceptable to the City Attorney the Agreement for Professional Services with Civiltec Engineering, Inc.

**F. STAFF REPORTS/COMMUNICATIONS**

1. Fiscal Year 2018-2019 Third Quarter Budget Reports for Electric and Water Funds.

Utilities Director Robledo advised that water sales have decreased due to rain. Year-to-date revenues are 82% of budgeted amounts while expenses are 76% of budgeted amounts. Debt coverage is 1.28. Cash flow has improved in comparison to the second quarter. Cash reserves for the Water Fund total \$23.8 million. In the Electric Fund, retail sales have decreased 1.5% when compared to the prior year. Revenues are 80% of budgeted amounts while expenses are 81% of budgeted amounts. Debt coverage is 7.91. Cash flow remains positive. Cash reserves total \$24.7 million.

**G. VERBAL COMMUNICATIONS**

1. Power Supply Update

Utilities Director Robledo indicated the DSR2 solar plant is back online as of May 3. Renewables currently comprise 25.4% of the portfolio, an increase from 19% as last reported. ALW is receiving hydroelectric power from the local facility in San Dimas. With the addition of the Mesa RP30 project, ALW will comply with the acceleration of progress towards the 60% renewable goal.

2. Water Supply Update

Utilities Director Robledo related that the outlook for water supply remains good, especially with continued rain. The water table level remains below average but is recovering. Reservoirs across the state are full.

3. General Policy and Regulatory Updates

Utilities Director Robledo reported SB 200, which proposes a water tax, was killed in the Senate. Revenues from the proposed tax will be replaced with surplus revenues in the State's General Fund. However, AB 217 remains alive. ALW is opposing AB 217 through the San Gabriel Valley Water Association. Wildfire legislation remains active. ALW opposes a proposal to collect monies from ratepayers statewide and deposit them into a trust fund. The trust fund would support insurance companies that paid claims for wildfire damages. Because ALW has a very low risk of wildfire, ALW customers would pay into a trust fund that would not benefit them. ALW opposes a proposal to develop pumped energy storage because all customers in the state would be required to pay an uplift charge for the project, but not all customers would receive a benefit from the project.

In reply to a Board Member's question, Utilities Director Robledo disclosed that all customers would pay \$1 into the wildfire mitigation trust fund. In essence, customers in the southern portion of the state would pay for wildfires that occur in the northern portion of the state.

**H. CLOSED SESSION**

None

**ADJOURNMENT**

The meeting was adjourned by consensus of the Utility Board.

**TIME OF ADJOURNMENT: 6:55 P.M.**



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**CITY CLERK/SECRETARY**