



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD
MONDAY, JUNE 24, 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 Chairman Alvarez.

ROLL CALL: Roll call was taken by Secretary Cornejo. Board Member Gonzales arrived at 6:32 p.m., after roll call.

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

ABSENT: BOARD MEMBERS: NONE

ALSO PRESENT

Elected Officials: Secretary Cornejo

City Attorney: Jeff Ferre

Staff Members: City Manager Gonzalez, Utilities Director Robledo, Assistant Director of Water Operations Macias, Assistant Director of Customer Care and Solutions Holmes, Assistant Director of Resource Management Torres, Senior Electrical Engineer Vuong, Senior Management Analyst Smith, Finance Director Johnson, Police Captain Bertelsen

A. PUBLIC PARTICIPATION

None.

B. UTILITIES DIRECTOR COMMENTS

Utilities Director Robledo reported the contract for wind power from the Mesa RP30 project has been finalized. Staff will provide the Utility Board with updates regarding construction of the project. A groundbreaking ceremony will likely be held in approximately a year. Major issues with the Automated Metering Infrastructure (AMI) project have been resolved, and testing will occur over the next few months. July bills will be prepared using data from automated meters. Full deployment of automated meters will begin in September. Construction of the electric vehicle (EV) charging station at the Police Department is complete, and four charging stations for use by the City fleet are under construction. The charging station for electric buses has been relocated closer to the train.

C. UTILITY BOARD MEMBER COMMENTS

None.

D. SCHEDULED ITEMS

1. Approval to Amend Rule No. 17 – Allowing the Resale of Electricity for Charging Electric Vehicles.

Utilities Director Robledo reported the City of Azusa provides all electricity within the city limits. Currently, mobile home parks and multifamily dwellings are exempt from Rule 17. Staff proposes an exemption for EV charging stations. The electricity has to be resold at the same rate as it is purchased. Operators will be allowed to recover costs such as maintenance and depreciation. Staff is currently evaluating a charging station proposed for the Shell gas station off the freeway.

In reply to questions from the Board, Utilities Director Robledo explained that the owner of the Shell station will lease space for the charging station and sell electricity to the operator of the charging station. The charging station will not have electric service separate from the Shell station. The prohibition prevents an entity within the city from purchasing electricity from entity other than the City of Azusa. The charging station operator will utilize the Shell station's infrastructure because it is less costly and more convenient.

Moved by Vice Chairman Carrillo, seconded by Board Member Gonzales, to adopt Resolution No. 2019-UB-07 approving an amendment to Electric Utility Rule No. 17, "Supply to Separate Premises and Resale," to exempt the resale of electricity for the purpose of public access charging of electric vehicles from the current prohibition of the re-selling of electricity received from the Utility to any person, by the following vote of the Board:

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

2. Approval to Extend Electric Rate "Schedule EDR-3".

Utilities Director Robledo advised that the Economic Development Rate (EDR) has been used successfully to attract new commercial ventures to the city. The discount is 15-40% depending on the factors listed in the table contained in the staff report. The discount can remain in place for a maximum of five years. Following expiration of the discount, the entity will be charged the full rate.

In response to Vice Chairman Carrillo's inquiries, Utilities Director Robledo indicated the terms of existing agreements will not change. The current schedule expires June 30, 2019, and this extension, if approved, will continue the schedule.

Vice Chairman Carrillo remarked that extending the rate schedule is logical given the few incentives the city has to attract new businesses.

Moved by Vice Chairman Carrillo, seconded by Board Member Rocha, to adopt Resolution No. 2019-UB-08 approving i) an extension of Electric Rate Schedule EDR-3 – Economic Development Rate-3 electric rates to new or expanding non-residential customers until canceled or replaced, and ii) extend the applicability of the EDR-3 electric rates to customers offering medical and lodging services, by the following vote of the Board:

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

E. CONSENT CALENDAR

City Attorney Ferre recommended that the May 28, 2019 Utility Board Meeting Minutes be revised to reflect Tuesday, May 28, and the presence of City Attorney Martinez rather than City Attorney Ferre.

Chairman Alvarez requested the minutes reflect that he called the meeting to order.

Moved by Board Member Gonzales, seconded by Board Member Macias, to approve the Consent Calendar with the recommended revisions of the minutes for the May 28, 2019 meeting by the following vote of the Board:

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

1. The minutes of the May 28, 2019 regular Meeting of Utility Board were approved as amended.
2. Resolution 2019-UB-06, a Resolution of the Utility Board of the City of Azusa adopting the budget and approving appropriations for Utilities for the fiscal year commencing July 1, 2019 and ending June 30, 2020, was approved.

F. STAFF REPORTS/COMMUNICATIONS

1. Annual Adjustment of Replacement Water Cost Adjustment Factor.

Utilities Director Robledo reported the variable rate is utilized to recover the cost of purchasing replacement water. The rate is based on the fee charged by the Watermaster on behalf of the San Gabriel Valley Municipal Water District (SGVMWD). The proposed rate is slightly lower than the existing rate.

In answer to questions from the Board, Utilities Director Robledo clarified that the Watermaster orders the water supply from SGVMWD. SGVMWD bills the Watermaster who then bills ALW. The County operates the reservoirs and the spreading grounds. One well near Gladstone is contaminated. The water from the well has to be treated before it can be used, but water from the well is not currently being used. ALW can fulfill its water needs without the well. However, if ALW can obtain grant funding for a treatment facility to remove the contaminant, staff may recommend such a project.

2. 2018 Clean Water Consumer Confidence Report.

Utilities Director Robledo reported ALW's water quality exceeds State standards. Staff has posted the report on ALW's website and mailed a notice containing a link to the report to all customers.

G. VERBAL COMMUNICATIONS

1. Power Supply Update

Utilities Director Robledo indicated renewables remain at 28% of power resources year-to-date. ALW's greenhouse gas report for 2018 has been submitted and is being audited by an independent party. Staff is finalizing ALW's renewable compliance report. Staff has to provide documentation that each generator has been certified as renewable. With respect to PG&E's bankruptcy case, a decision has not been made as to whether the bankruptcy court or the Federal Energy Regulatory Commission (FERC) will determine the disposition of PG&E's favorable contracts that total \$42 billion.

2. Water Supply Update

Utilities Director Robledo noted water supplies have changed little since the last report. The key well elevation is increasing. Reservoirs statewide are full.

3. General Policy and Regulatory Updates

Utilities Director Robledo reported the proposed water tax will not be implemented, and the cost of supporting small and insolvent water agencies will be paid from the State General Fund or Cap-and-Trade funds rather than by water customers. The proposed wildfire fund may be funded by investor-owned utilities instead of municipal-owned utilities. If investor-owned utilities are part of and pass costs through the California Independent System Operator (CAISO), ALW may see a slight increase in transmission costs. ALW continues to oppose bills for pumped energy storage and central procurement.

H. CLOSED SESSION

None.

ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 6:56 P.M.



CITY CLERK/SECRETARY