



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD
MONDAY, SEPTEMBER 23, 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 Board Member Gonzales.

ROLL CALL: Roll call was taken by Secretary Cornejo.

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

ABSENT: BOARD MEMBERS: MACIAS

ALSO PRESENT

Elected Officials: Secretary Cornejo

City Attorney: Jeff Ferre

Staff Members: Utilities Director Robledo, Assistant Director of Water Operations Macias, Engineering Associate Barbosa, Utilities Programs Specialist Reid, Utilities Administrative and Financial Services Manager Tran, Senior Management Analyst Smith, City Manager Gonzalez, Chief Deputy City Clerk Garcia, and Police Chief Bertelsen.

A. PUBLIC PARTICIPATION

Utilities Director Robledo introduced Katie Ellis from Southern California Public Power Authority (SCPPA).

B. UTILITIES DIRECTOR COMMENTS

Utilities Director Robledo reported deployment of automated water meters has begun in the southern part of the coverage area. In a few cases, the meter box was too small for the meter, but overall deployment is going well. Deployment of automated electric meters should begin in October. The Board's action to approve a troubleshooter position has benefited both recruitment and retention. A former ALW employee has applied to return to Azusa because of the changes. Recruitments are open for meter test technician, associate engineer, and water treatment operator. Under State law, ALW has to prepare a Wildfire Prevention Plan by the end of the year. Staff will present a draft plan to the Utility Board in November or December. A fire caused an outage for approximately 1,000 customers. The heat from the fire fused the cable located inside conduit. Staff quickly isolated the cable and restored power to customers. The Azusa Shred-a-Thon on September 21 was successful with 8,900 pounds of paper shredded. The next Shred-a-Thon will be held in April 2020. Upcoming recycling events include a used oil filter exchange on October 26, household hazardous and electronic waste

disposal on November 2, and a smart gardening workshop on November 9. October 6-12 is Public Power Week, and ALW will celebrate by giving walk-in customers free LED lights on October 7-10 and sharing conservation information and giveaways on October 10. Utilities Communications and Environmental Programs Specialist Sagun has conducted a survey of water customers. Customers like the City website, social media, bill stuffers, and email communications. Customers do not utilize newspapers, banners, and Twitter. ALW sends a monthly newsletter entitled *Azusa News and Events* to all utility customers via email. Anyone may receive the newsletter by registering on the website. Staff included recycling and energy efficiency events in the guide for fall recreation activities.

In reply to a question from the Utility Board, Utilities Director Robledo advised that the smart gardening workshop will be held at Memorial Park.

Board Members suggested staff add a second location for the Shred-a-Thon or schedule three events each year.

C. UTILITY BOARD MEMBER COMMENTS

None

D. SCHEDULED ITEMS

None

E. CONSENT CALENDAR

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

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

1. The minutes of the July 23, 2019 regular meeting of the Utility Board were approved.
2. The Sunset Avenue Water Main Replacement project improvements outlined in W-351 plans and specifications were accepted; the Notice of Completion was approved; the Mayor was authorized to execute the Notice of Completion 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.
3. A sole source Purchase Order to Haaker Equipment Company for repair of a Water Division Vector Truck in an amount not-to-exceed \$37,163.79 under Municipal Code Section 2-520(b)(2) was approved.
4. A Memorandum of Understanding between the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Department of Public Works, and the City of Azusa with respect to the repair and improvement of a portion of Glendora Ridge Motorway was approved; and the City Manager was authorized to execute the Memorandum of Understanding on behalf of the City of Azusa.
5. A Professional Services Agreement (PSA) contract was awarded to Electric Power Systems, Inc., in a total not-to-exceed amount of \$49,999 for engineering, inspection, and commissioning services in accordance with the Scope of Work specified in the RFP for Project L-2019CB; and the Mayor was authorized to execute the PSA in a form acceptable to the City Attorney on behalf of the City of Azusa.

F. STAFF REPORTS/COMMUNICATIONS

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

Utilities Director Robledo reported retail sales of water were down in comparison to the prior year. Revenues did not decrease because of the Board approved water cost adjustment. Revenues totaled 104 percent of budget, and operating expenses totaled 94 percent of budget. Cash flow was positive, and debt service coverage exceeded the minimum requirement. Cash reserves totaled \$23.4 million at the end of the fiscal year. Electric retail sales were down slightly because of the moderate summer weather. Revenues totaled 101 percent of budget, while expenses totaled 93 percent of budget. Cash flow was positive, and debt service coverage far exceeded the minimum requirement. Cash reserves totaled \$28.6 million at the end of the fiscal year. Water and electric cash reserves will be utilized to purchase automated water and electric meters. Once staff closes the books for the fiscal year, they will transfer funds from the electric cash reserves to the rate stabilization fund as approved by the Board.

2. Results of the California Air Resources Board's August 2019 Auction of Greenhouse Gas Allowances.

Utilities Director Robledo advised that ALW sold 68,989 excess carbon allowances for \$1,183,851 in the August 20 auction. Proceeds will be used to offset the cost of renewable energy.

G. VERBAL COMMUNICATIONS

1. Power Supply Update

Utilities Director Robledo indicated all renewable energy projects are online, and ALW's renewable power resources have reached 32.7 percent. The requirement for renewable power resources is 31 percent. The San Dimas hydroelectric plant has provided approximately 2,000 MWh of electricity year-to-date. The newest wind energy project is proceeding on schedule and is expected to be complete in the spring of 2020. Staff has secured ALW's local capacity requirement for 2020 and is procuring ALW's system capacity requirement for the summer of 2020. Staff anticipates a high wildfire season. Power prices are currently stable, and staff expects prices of \$40-\$45 per MWh for the 2019-20 winter and \$55-\$60 per MWh for the 2020 summer.

2. Water Supply Update

Utilities Director Robledo reported the water table has reached the operating range but remains 15 feet below average. The Upper District has delivered the Metropolitan Water District (MWD) water into the river. ALW's share of the State Water Project allocation is 75 percent. A conduit owned by the City of Pasadena failed on August 21, and the City of Pasadena is planning to repair it. Until the conduit is repaired, ALW does not have access to its water stored in the reservoir. State reservoir levels are beginning to fall. MWD's Regional Recycled Water Center is a treatment plant that produces recycled water. A pipeline project will convey 100,000 acre-feet of recycled water per year from Carson to the Canyon and Santa Fe spreading grounds. The cost of recycled water is four times the usual cost of water but less than the cost of desalinated water. Staff is exploring the purchase of recycled water.

In reply to Board Members' queries, Utilities Director Robledo stated the City of Pasadena will pay for repairs. ALW could access its water through the river, but waiting for repair of the conduit would serve ALW's best interests.

3. General Policy and Regulatory Updates

Utilities Director Robledo advised that ALW's advocacy for and against legislation was successful. Some of the bills will return in the second year of the cycle. Staff will implement the enhanced water shut-off notice through the billing system.

The Board and staff discussed the importance of water and electricity for daily living and the constitutional amendment declaring access to water a human right. Few ALW customers donate to the utility assistance program through their bills.

H. CLOSED SESSION

None

I. ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 7:06 P.M.



CITY CLERK/SECRETARY