



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD
MONDAY, JANUARY 27, 2020– 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 Captain Grant.

ROLL CALL: Roll call was taken by Secretary Cornejo. Vice Chairman Carrillo arrived at 6:33 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: Utilities Director Robledo, Assistant Director of Water Operations Macias, Utilities Programs Specialist Reid, Senior Management Analyst Smith, City Manager Gonzalez, Captain Grant, Chief Deputy City Clerk Garcia.

A. PUBLIC PARTICIPATION

None

B. UTILITIES DIRECTOR COMMENTS

Utilities Director Robledo reported the Automated Metering Infrastructure (AMI) Project is about 30 percent complete with 9,500 of 23,000 water meters installed. The new meters are generating data for billing, and meter readers are reviewing data for anomalies. As an example, Staff notified a commercial customer of a water leak before the customer was aware of it, which saved the customer additional costs due to the leak. AMI electric meters are also being installed. Staff is working with the vendor of the customer information system to resolve billing mapping issues. The Lobby Remodel Project includes bullet-proof glass and panels, new flooring, and a call center room. When the contractor completes punch list items, the project will be complete. A Shred-a-Thon was held January 18 at Slauson Park. Additional Shred-a-Thons are scheduled for April 25 and September 26. Because of noise concerns and in an effort to have a consistent location, staff recommends future Shred-a-Thons be held only at the ALW parking lot. The Canyon City Business Park line extension is underway, and a video of the work was shown. Staff relocated a sewer line that was near

the Orchard Sewer Relocation Project. The project is back on schedule. Staff submitted the Wildfire Mitigation Plan to the State for review and approval. Utilities Director Robledo indicated he met with the MillerCoors Company to discuss ALW's interest in continuing water service at the same contract rates should ownership of the company change. City Manager Gonzalez advised that MillerCoors will vacate the premises on September 30. Pabst has exercised a purchase option for the purchase of the premises, is conducting due diligence, and would close escrow by a certain date if they exercise the purchase option. Staff will work with the company to determine water usage, which will affect water revenues and the City general fund.

C. UTILITY BOARD MEMBER COMMENTS

Board Member Macias reported he has received positive feedback on the new LED streetlights. Utilities Director Robledo explained that streetlights are being replaced as they fail and by street as the budget allows. Board Member Macias suggested streetlights in high crime areas be replaced first.

Board Member Gonzales appreciated staff trying out the Slauson Park location for the Shred-a-Thon.

D. SCHEDULED ITEMS

None.

E. CONSENT CALENDAR

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

| | | |
|----------|----------------|---------------------------------------------------------------------------|
| AYES: | BOARD MEMBERS: | ALVAREZ, CARRILLO (Items E 2-5), ROCHA, MACIAS (Items E 2-5), GONZALES |
| NOES: | BOARD MEMBERS: | NONE |
| ABSENT: | BOARD MEMBERS: | NONE |
| ABSTAIN: | BOARD MEMBERS: | CARRILLO (Item E 1, only), MACIAS (Item E 1, only) |

1. The minutes of the October 28, 2019 regular meeting of the Utility Board were approved.
2. The Amendment to the Transmission Control Agreement (TCA) among the California Independent System Operator (CAISO) and the Participating Transmission Owners (PTOs) was approved; and the Mayor was authorized to execute the Amendment to the TCA among the CAISO and the PTOs in a form acceptable to the City Attorney.
3. The Citrus Avenue and Foothill Boulevard 830 Water Tie-In Project improvements outlined in Capital Improvement Project W-347 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. The First Amendment to the Professional Services Agreement (First Amendment) with Invoice Cloud Incorporated, in an amount not to exceed \$175,000 annually, in accordance with Azusa Municipal Code Section 2-517(a)(22) 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.
5. A Purchase Order to D&H Water Systems, Inc., in an amount not to exceed \$58,100.00, for the purchase of a PAX TRS™ Trihalomethane Removal System under Azusa Municipal Code Section 2-517(a)(35) Treatment Equipment and Section 2-520(b)(2) Sole Source Purchase was approved.

F. STAFF REPORTS/COMMUNICATIONS

None.

G. VERBAL COMMUNICATIONS

1. Power Supply Update

Utilities Director Robledo advised that actual renewable energy delivered comprised 30.4 percent of the portfolio for 2019, and the requirement is 31 percent, so ALW will purchase renewable energy credits to fulfill the requirement. If the renewable projects performance is the same in 2020 and 2021, ALW may buy credits and/or utilize banked credits. In 2022, energy from the Mesa Wind Project will cause the renewable energy percentage to exceed the requirement. Construction of the Mesa Wind Project is making good progress. ALW is participating in a Request for Proposals (RFP) through the Southern California Public Power Authority (SCPPA) for backup generation to aid with resource adequacy capacity when renewable energy is unavailable. A gas turbine failed at the Lodi Energy Center and caused a great deal of damage. Staff estimates it will be repaired by the end of May. The repair cost will be high but may be covered by insurance. Project owners, including ALW, will have to replace the turbine or be subject to a penalty from CAISO. Demand and energy decreased slightly in 2019 over 2018 probably because of the cooler temperatures in 2019.

In response to questions, Utilities Director Robledo explained that a utility can sell its excess renewable energy credits on a secondary market. Electricity from large hydroelectric projects such as Hoover is considered clean but not renewable. Renewable credits from new projects cannot be banked.

2. Water Supply Update

Utilities Director Robledo indicated rainfall was good in December but not in January. The level of the water table is holding. Because of varied weather, the State Water Project allocation is 15 percent, but it could increase if there is more rain. Water in the Canyon Reservoir storage may be used in 2020. Reservoir levels throughout the state remain up.

3. General Policy and Regulatory Updates

Utilities Director Robledo reported a bill regarding the Eagle Crest Pumped Storage Project requires all ratepayers to pay for the project. The project would cost Azusa ratepayers \$3-\$6 per month. ALW opposes the bill because the cost will be an addition to costs for procurement, backup energy, and backup capacity. Public Safety Power Shutoffs will probably not affect ALW customers. The Legislature is considering a program to compensate customers for food that goes bad during Public Safety Power Shutoffs. The Wildfire Safety Oversight Board is meeting regularly, and hopefully it will not change any of the existing policies. The Biomass to Energy Mandate requires utilities of 100 megawatts (MW) or more to purchase energy produced from wood, which is expensive. Staff is monitoring legislation for regulations concerning perfluoroalkyl substances (PFAS).

In response to a Board Member's question, Utilities Director Robledo explained that PFAS have not been found in ALW water supplies. Assistant Director of Water Operations Macias added that PFAS have been found in Orange County, particularly in the use of reclaimed water. PFAS are found in manufacturing processes, firefighting foam, and waterproof material. They are called forever chemicals because they do not decompose naturally in soil. Contaminated water can be treated to remove PFAS.

H. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)

Name of case; Docket No. EL0095, California Parties and the City of Azusa – Refund Case Settlement Implementation

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

One potential case

The Azusa Utility Board recessed to closed session at 7:05 p.m. and returned to the regular meeting at 7:27 p.m.

City Attorney Ferre announced that no reportable action was taken during the closed session.

I. ADJOURNMENT

The meeting was adjourned by consensus of the Utility Board.

TIME OF ADJOURNMENT: 7:27 P.M.



CITY CLERK/SECRETARY