



**CITY OF AZUSA**

**MINUTES OF THE REGULAR MEETING**

**OF THE AZUSA UTILITY BOARD/CITY COUNCIL**

**MONDAY, JULY 28, 2008 – 6:32 P.M.**

The Utility Board Members of the City of Azusa met in regular session, at the above date and time, at the Light and Water Conference Room, located at 729 N. Azusa Avenue, Azusa, California.

Chairman Macias called the meeting to order and Azusa Police Captain Street led in the salute to the Flag. Call to Order

**ROLL CALL** Roll Call

**PRESENT:** BOARD MEMBERS: GONZALES, CARRILLO, MACIAS, HANKS  
**ABSENT:** BOARD MEMBERS: ROCHA

**ALSO PRESENT:** Also Present

City Attorney Ferre, City Manager Delach, Director of Utilities Hsu, Director of Resource Management Tang, Assistant to the Utilities Director Kalscheuer, Assistant Director of Water Operations Anderson, Azusa Police Captain Street, Assistant Director of Electric Operations Ramirez, City Clerk Mendoza, Deputy City Clerk Toscano.

**New Employee Introductions** Intro New Employees

Assistant Director of Electrical Operations Ramirez introduced new Electric Division Employees Vincent Benavides and Michael Moore. Director of Resource Management Tang introduced new Power Resource Technician Gerard Palo-Dy.

**Public Participation** Pub Part

Mr. Art Morales addressed the Board Members requesting additional information regarding the Public Benefits Program and how it can be used for free swim. A. Morales Comments

An item of subsequent need arose regarding possible resolutions and a letter in opposition to recent actions taken by the Metropolitan Transit Authority and it was moved by Board Member Hanks, seconded by Board Member Gonzales and unanimously\* carried to agendaize it as item C-2. Item of Subsequent need MTA

The **CONSENT CALENDAR** consisting of Items B-1 through B-9, was approved by motion of Board Member Gonzales, seconded by Board Member Hanks and unanimously\*carried with the exception items B-3 and B-4, which were considered under the Special Call portion of the Agenda. Chairman Carrillo abstained from item B1, minutes as he was absent from that meeting. Consent Cal Approved B-3 & B-4 Spec Call

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| 1. | The Minutes of the regular meeting of June 23, 2008, were approved as written.  | Min Appvd                                      |
| 2. | A RESOLUTION OF THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA ACCEPTING A CERTAIN GRANT OF EASEMENT AND DIRECTING THE RECORD THEREOF. (Citrus Crossing Properties Fee LLC for Electric Utilities)   | Res. 08-C65<br>Grant Of Esmt<br>Citrus Cross   |
| 3. | SPECIAL CALL ITEM.  | Spec Call                                      |
| 4. | SPECIAL CALL ITEM.  | Spec Call                                      |
| 5. | Approval was given for a one year extension of the Professional Services Agreement between the City of Azusa and Wren & Associates for inspection of electric conduit & facility installations at the Rosedale Development.   | Agmt w/Wren<br>& Assoc<br>Rosedale Dev         |
| 6. | Approval was given for an extension of Wren & Associates contract for Rosedale Project inspection from June 30, 2008-June 30, 2009; an extension of Civiltec Engineering contract for Rosedale Project Inspection from June 30, 2008 to June 30, 2009, and an addition of \$33,000 to the Civiltec Engineering contract for Rosedale inspection Services. | Rosedale<br>Inspection<br>Wren &<br>Civiltec   |
| 7. | Approval was given for the advertisement for and solicitation of bids for Project W-245 A & B, Water Main Replacement in Vincent Avenue, West Covina and Sunset Avenue, Azusa, and delegate authority to the City Manager to approve the award of the contract for the main replacements to the lowest and responsible bidder.                            | Water Main<br>Replacement<br>W-245 A&B<br>Bids |
| 8. | Approval was given for Additional Compensation to Systems and Software for Implementation of Interactive Voice Recorder and Outbound Dialing in the amount of \$26,000.   | Systems &<br>Software                          |
| 9. | Approval was given for the Addendum to Option and Settlement Agreement in substantial form, subject to approval of the final language by the legal counsel.   | Addendum<br>Settlement<br>agmt                 |

**SPECIAL CALL ITEMS**

<p>Director of Utilities Hsu addressed items B-3 and B4, detailing the extra cost to Project Manager Black &amp; Veatch for Water Treatment Plant Upgrade and additional compensation to SSC Construction for additional work and time extension stating that there were items beyond the original scope of the original estimates, i.e. Shop drawing submittal review, Contractor Requests for Information (RFI's), Resident Engineer Additional Time, Additional coordination with Local Agency, Building Permits and costs for annexation to Sanitation District. He noted that the project is 82% complete and there have been less than 1% change orders from construction contractors.</p>	<p>Special Call</p> <p>Dir of Utilities Items B-3 &amp; 4</p>
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<p>Moved by Chairman Carrillo, seconded by Board Member Hanks and unanimously* carried to approve the addition of \$326,800 to pay for additional and anticipated consulting services by Black &amp; Veatch (B&amp;V) Corporation for providing construction management engineering services for Canyon Membrane Water Treatment Plant (WTP) Upgrade and Expansion Project, Project WVF-207.</p>	<p>Black &amp; Veatch Additional Comp</p>
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<p>Moved by Chairman Carrillo, seconded by Board Member Hanks and unanimously* carried to approve Change Order No. 11 for the addition of \$9,454.31 and extension of time to complete 24 calendar days to the SSC Construction, Incorporated contract for construction of Project WVF-207, Canyon Membrane Water Treatment Plant (WTP) Upgrade and Expansion.</p>	<p>SSC Constru Change Order 11</p>
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**SCHEDULED ITEMS**

Sched Items

Director of Utilities Hsu addressed item regarding the Utilities Department Reserve Policies stating that this is an estimate as the official audit has not been performed, and that these are the utilities reserve policies which provide for reserves for specific utilities financial requirements such as Operating Reserves, Capital Reserve, and Contingency Reserve for the Electric and Water Utilities.

Dir of Utilities Reserve Policies

Board Member Gonzales offered a Resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, SETTING CERTAIN RESERVE POLICIES FOR THE UTILITIES DEPARTMENT.

Res. 08-C66 Reserve Policies

Moved by Board Member Gonzales, seconded by Chairman Carrillo to waive further reading and adopt. Resolution passed and adopted by the following vote of the Board Members:

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

Lengthy discussion was held between Board Members, City Attorney Ferre and City Manager Delach regarding the proposed resolution condemning the recent action of the MTA in not funding the necessary local match for the Gold Line Foothill Extension; a resolution calling on State Legislature to authorize seeking Federal funding of \$214 Million for the Congestion Pricing project of the I-110 corridor, and to require that the MTA also fund the local match for Gold Line, enabling the pursuit of additional \$320 Million for the benefit of the State and a letter to Assemblyman Hernandez and other Assembly members regarding status of the Gold Line, the MTA putting a half cent sales tax on the November ballot, and a new version of the HOT lane on the I-110 freeway. (A third resolution was noted, but a consensus of the Board Members were opposed to considering it, it was regarding sustaining the Resolutions adopted by COG, JPA, Gold Line Construction Authority opposing the Sales Tax unless amended to fully fund the Gold Line, and set a definite spending schedule for the project.)

Lengthy Discussion Gold Line MTA Action

It was consensus of the Board Members that staff be directed to draft resolutions addressing subject as detailed above and be brought to the City Council meeting of August 4, 2008, for consideration and that a letter regarding the Gold Line be created articulating and addressing the inequities of the current programs and be sent to Assemblyman Hernandez and the Assembly; and after completion, if there are Board Member concerns, that it be brought back to a meeting for re-consideration.

Draft Resos & Letter re: Gold Line Approved

**STAFF REPORTS/COMMUNICATIONS**

Staff Rpts

Director of Utilities Hsu stated that formulation of the drought charged based on following assumptions: (1) Water Shortage phase II will be in place for six months during the fiscal year; ( 2) July 2006 to December 2006 consumption data was used as the basis to determine the threshold which the drought charge is to be applied; (3) Customers will reduce consumption by 10% in response to declared water shortage program; (4) Certain exemptions to commercial customers will be granted to recognize conservation implemented activities; and (5) Drought Charge is to be imposed for all consumption above 200% of the first Tier of the respective customer's rates, e.g., above 36 hundred cubic feet (CCF) per month for residential customers with meter size 1" or less.

Drought Charge Implementation

Director of Utilities Hsu presented the Annual Adjustment of Replacement Water Cost Adjustment Factor stating that the Watermaster has set the Operating Safe Yield of the Main San Gabriel Basin (how much water can be pumped from ground, after that replacement water is purchased), from \$0.1306 to \$0.0590 as of July 1, 2008, which is down due to lower water demand, water conservation and changes in the Watermaster application of rules governing replacement water purchases.

Annual Adjust RWCAF

The Monthly Update on Water Treatment Plant was presented; it is 82.04% complete and \$29.7 million has been paid to date.

WTP Update

Director of Utilities Hsu presented the Customer Survey Results conducted by SDS Research. Azusa Light and Water exceeds the industry averages in every category i.e. employee attitude, value of service received and employee interaction and communication with customers; details of the survey results will be forwarded to Board Members in August.

Customer  
Survey Results

Director of Utilities Hsu announced the Trash 101 Workshop to be held Friday, September 12, 2008 at Los Angeles County Sanitation Districts Administrative Office sponsored by the San Gabriel Valley Council of Governments; he asked that Board Members advise if they would like to attend.

Workshop  
Trash 101

Director of Utilities Hsu announced the Upper San Gabriel Valley Water District Water Fest 2008 to be held on Saturday, October 4, 2008 at Arcadia County Park, and encouraged all to attend.

Water Fest  
2008

Director of Utilities Hsu announced that the County is releasing water from Morris Dam and the drought water basin behind the golf course has been rising about one foot per week and there is reserve water from San Gabriel Municipal Water District.

Release of  
Water

Director of Utilities Hsu announced that each Thursday beginning on July 31, 2008, there will be Concerts in the Park at 7 p.m. at Memorial Park.

Concerts in the  
Park

### **DIRECTOR'S COMMENTS**

Dir Cmts

Moved by Board Member Gonzales, seconded by Board Member Macias and unanimously\* carried that request for proclamation to Nicholas Ryan Hill for attaining the rank of Eagle Scout, to be presented at the Village Covenant Church on Saturday, August 16<sup>th</sup>, be approved.

Proc N. Hill  
Eagle Scout

Moved by Board Member Macias, seconded by Board Member Gonzales and unanimously\* carried that request for Certificates of Recognition for Azusa Boxing Club, be approved.

Cert to Azusa  
Boxing Club

Moved by Chairman Carrillo, seconded by Board Member Gonzales and unanimously\* carried that request for Certificate of Appreciation to outgoing President of the Azusa Chamber of Commerce, Mercedes Castro, of Proforma Quality Printing, to be presented at the Chamber Installation Dinner on Tuesday, July 29<sup>th</sup>, be approved.

Cert to M.  
Castro C of C  
Outgoing Pres.

Board Member comments regarding construction traffic at Gladstone and Vincent and workshop regarding the impacts of AB 32; it was suggested that the workshop not be held at an off-site meeting.

Board Member  
Comments

### **CLOSED SESSION ITEM**

Closed Sess

It was consensus to recess to Closed Session at 8:13 p.m. to discuss the following:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(b), One potential case

Conf w/legal  
Cnsl One Case

The Board Members reconvened at 8:35 p.m., there was not reportable action taken in Closed Session; it was consensus of the Board Members to adjourn.

Reconvened  
Adjourn

**TIME OF ADJOURNMENT: 8:36 P.M.**

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**SECRETARY**

**NEXT RESOLUTION NO. 08-C67.**

**\* indicates Rocha absent.**

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