



**CITY OF AZUSA**  
**MINUTES OF THE REGULAR**  
**MEETING OF THE AZUSA**  
**UTILITY BOARD/CITY COUNCIL**  
**MONDAY, JANUARY 28, 2008 – 6:33 P.M.**

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

Vice Chairman Carrillo called the meeting to order.

Call to Order

**ROLL CALL**

Roll Call

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

**ALSO PRESENT:**

Also Present

City Attorney Martinez, City Manager Delach, Director of Utilities Hsu, Assistant to the Utilities Director Kalscheuer, Assistant City Manager Person, Assistant Director of Resource Management Tang, Assistant Director of Water Operations Anderson, Assistant Director of Electric Operations Ramirez, Administrative Technician Cawte, Azusa Police Captain Streets, Finance Controller Aguilar, City Clerk Mendoza, Deputy City Clerk Toscano.

**Public Participation**

Pub Part

Mr. Dick Cortez addressed Council expressing his opinion regarding the drought and provided ideas on how to conserve water.

D. Cortez  
Comments

The **CONSENT CALENDAR** consisting of Items B-1 through B-7, was approved by motion of Board Member Gonzales, seconded by Board Member Rocha and unanimously\* carried with the exception of items B-4 and B-5, which were considered under the Special Call portion of the Agenda.

Consent Cal  
Approved

1. The Minutes of the regular meeting of December 17, 2007, were approved as written.
2. Approval was given for the purchase of two secure storage containers to complete the recent upgrade to the Gladstone Water Yard in amount of \$12,741.02.
3. Approval was given for the addition of \$22,000 to the Civiltec Engineering contract for inspection

Min Appvd  
Pur storage  
containers

services on Project W-238, Replacement Pipeline Installation on Cypress and Sunset, et. al. in West Covina; and a three-month extension of contract to March 31, 2008.

4. Special Call Item. Civiltec Engr  
Inspect svcs  
Extension
5. Special Call Item. Spec Call
6. Approval was given to Award Contracts for Bill Print and Mail, Electronic Bill Presentment and Payment, and Pay-By-Phone and Web Payment Options as follows: (a) Infosend Incorporated to provide bill print and mail processing in amount of \$54,600 per year for three years, excluding postage, and electronic bill presentment in amount of \$22,000 with a one-time implementation charge of \$3,250; (b) BankServ in an estimated annual amount of \$5,600 per year for three years to act as bank merchant processor for electronic automated clearing house (ACH) payment transactions related to electronic billing; (c) Paymentus to collect and process pay-by-phone and web payments; and (d) Global Payments to act as bank merchant processor for one-time customer credit and debit card payments at transaction cost to customers per \$500 increment of \$3.25 for residential and \$3.75 for businesses. Spec Call  
Contracts  
Bill Print and  
Mail, Electronic  
Bill  
Presentment  
and Payment  
and Pay-By-  
Phone and  
Web Payment
7. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, APPROVING THE LOS ANGELES COUNTY SOLID WASTE MANAGEMENT PROGRAM (SWMP) AS THE LOCAL ENFORCEMENT AGENCY (LEA) RESPONSIBLE FOR ENFORCING ALL LAWS AND REGULATIONS PERTAINING TO THE MANAGEMENT OF SOLID WASTE WITHIN THE CITY OF AZUSA. Res. 08-C5  
LA Co. Solid  
Waste Mngmt  
Prgm

### **Special Call Items**

Board Member Carrillo addressed item regarding retrofit of Electric Division trucks asking what percentage the five trucks being retrofitted represents for the Electric Division, and how many water trucks are anticipated to be retrofitted in the future; staff responded that the five trucks represent 100% of electric and there are five water trucks in the Water Division.

Spec Call Items  
Carrillo  
Comments

Moved by Board Member Carrillo, seconded by Board Member Gonzales and unanimously\* carried to approve the bid by Ironman Emissions Group in amount of \$76,585.14 to retrofit five Electric Division diesel trucks with the Particular Matter (PM) Traps to comply with California Air Resources Board Requirements.

Board Member Carrillo addressed item regarding the purchase of two electric meter shop vehicles, asking if the insurance was paid for the replacement of a truck that was stolen from the Electric Yard; staff responded \$10,000 was received for the stolen truck and placed into the Electric Reserve Fund.

Ironman  
Emissions  
Group

Moved by Board Member Carrillo, seconded by Board Member Gonzales and unanimously\* carried to approve waive formal bidding procedures in accordance with the Municipal Code Section 2-523(e) and approve the purchase of two Chevrolet ¾-ton 2WD extended cab work trucks from Coalinga Motors, Incorporated in amount of \$28,850.88 each, plus a State Procurement Fee of 1.98%.

Carrillo  
Comments

### **01/28/08 PAGE TWO**

Purchase of  
Two trucks  
Coalinga  
Motors

### **Scheduled Items**

Director of Utilities Hsu addressed the request for approval to increase Replacement Water Cost Adjustment Factor stating that the water utility has had to purchase water supplied by the Metropolitan Water District (MWD) at a higher rate and although the final billing has not been received for December water purchases, staff estimates "Incrementally Higher" purchased water costs. There is a need to increase the current RWCAF by \$0.2340 per ccf, from \$0.2896 per ccf. to \$0.5236 per ccf for the next two

months to recover the higher incremental cost of purchased water incurred.

Sched Items

Discussion was held between Board Members and staff regarding the predicament the City is in with regard to the drought, water conservation and higher cost of purchased water. Further discussion was held regarding the process for capturing run off water from the rain, the need to build additional reservoirs, the need to take a holistic approach by the Legislators to work on water issues noting it is a Statewide problem; questions were answered regarding customers outside the City, and Rosedale's requirements.

Dir of Utilities  
RWCAF  
Comments

Assistant to the Utilities Director Kalscheuer responded to questions stating that the RWCAF is being reviewed every two months and staff would come back with a recommendation at March Board meeting as to future adjustment. He advised that in light of the recent rain storms the Water Utility stopped purchasing water from MWD; it was noted that water purchased went into the spreading ground to recharge the upper basin.

Discussion

Moved by Board Member Rocha, seconded by Board Member Gonzales and unanimously\* carried to authorize staff to increase the Replacement Water Cost Adjustment Factor by \$0.2340 per hundred cubic feet of water effective February 1, 2008 to recover the increased cost of purchasing water from Metropolitan Water District for November and December.

Asst Dir of  
Utilities  
Response to  
Questions

Director of Utilities Hsu addressed request for budget amendment stating that the original budget was for normal water purchases; the revenue received from customers have gone into the reserve fund and there is a need to re-appropriate from the reserve into the budget to pay the bills.

Assistant to the Director of Utilities Kalscheuer responded to earlier question regarding the balance of the reserve fund stating that the reserve was about twenty million dollars before the fifty-four million dollar bond issue. Director of Utilities Hsu stated that the amount of reserve is brought back at budget time each year identifying which amounts are encumbrances or committed and he would do the same this year. After additional discussion the following resolution was adopted.

Inc to RWCAF  
Approved

Board Member Carrillo offered a Resolution entitled:

Dir of Util  
Budget  
Amend

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, AMENDING THE FISCAL YEAR 2007-2008 OPERATING BUDGET FOR THE WATER UTILITY TO PAY FOR PURCHASED WATER.

Asst Dir of  
Utilities  
Response

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

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

Res. 08-C6  
Budget  
Amendment

**01/28/08 PAGE THREE**  
**Staff Reports/Communications**

Director of Utilities Hsu provided an update on the Water Shortage Declaration, first advising that the water level in the Canyon basin has been coming up gradually and is at 40 feet below normal level. The Water Master announced that for the next ten years the MWD will not be delivering replacement water and gave a detailed explanation; he stated that he would like to stay at Stage 3 water shortage declaration due to the uncertainty of the drought. Discussion was held regarding the results on the phases of the water drought, recent rainfall and status of the water patrol.

The Monthly Update on Water Treatment Plant was presented, power point presentation of the plant was presented, and it was noted that it is 46% complete and the project may be complete by August/September.

Staff Rpts

The Monthly Power Resources Update was presented and it was noted that California Independent System Operator's (CAISO) will be updating technology which should be online on April 1<sup>st</sup>; the Garnet Wind power plant is about to construct the foundation for the Wind Farm in the Palm Springs area, and staff is working with Southern California Public Power Authority (SCPPA) renewable resources RFP process for potentially additional renewable resources.

Update on  
Water  
Shortage

U.S. Department of Energy kWh Rate Survey was presented with little discussion.

Update WTP

The 2008 Utility Board Meeting Schedule was presented and it was consensus that March 24<sup>th</sup>, June 23<sup>rd</sup> and October 27<sup>th</sup> be designated as the Quarterly Off-Site meetings. Suggested for schools to hold meetings were Powell, Magnolia, and Gladstone schools; staff will check with the Azusa Unified School District to confirm/seek availability of schools site.

Update  
Monthly Pwr  
Resources

Director of Utilities Hsu announced the California Municipal Utilities Association (CMUA) March Conference and requested that those members who will be attending advise his staff or City Manger's Executive Assistant, in order to make reservations for the conference.

Director of Utilities Hsu announced CMUA Capitol Day Activities providing handouts regarding The California Delta, and detailed ballot initiatives with regard to Renewable Energy, Solar Programs for schools, the Mylar Balloons and Copper thief.

Energy Survey

Schedule of  
UB mtgs &  
Quarterly  
Off -site

### **Directors Comments**

Moved by Board Member Rocha, seconded by Board Member Gonzales and unanimously carried to approve Certificates of Appreciation to outgoing Miss Azusa, Jamie Pezold, outgoing Miss Outstanding Teen Jamie Alvarez, and Princess Crystal Munoz, to be presented on February 2, 2008, Miss Azusa and Miss Outstanding Teen Pageant.

CMUA March  
Conference

Board Member Rocha expressed concern regarding the palm trees at the Rosedale Promenade and possible liability; staff advised they would report on it at the February 4<sup>th</sup> City Council Meeting.

Dir of Util  
CMUA  
Capitol Day

Board Member Macias expressed concern regarding old shoes thrown up on power lines and the possible negative connotation they portray. It was also noted that there is a need to replace burned out street light as soon as they are reported. Staff advised that shoes would be removed and street lights replaced by Light and Water crews as soon as they are reported.

Dir Cmts

Cert of Apprec  
Miss Azusa  
Outstanding  
Teen

### **01/28/08 PAGE FOUR**

The Board Members recessed at 7:34 p.m. and reconvened at 7:42 p.m. to conduct a Workshop on Solid Waste Issues.

Rocha  
Comments

### **WORKSHOP ON SOLID WASTE ISSUES**

Assistant to the Utilities Director Kalscheuer addressed the Workshop introducing the following challenges: Long Term Disposal, Diverting More Waste, and Controlling Costs. He explained the solid waste flow which begins with city customers to Athens's MRF, to Puente Hills Landfill and Commerce Refuse to Energy Facility, and that Yard Waste goes directly to Puente Hills Landfill which will be closing in 2013. He detailed the consequence of Puente Hills closure, the challenge of diverting more waste, and the challenge of controlling costs, how the existing contract with Athens helps and could hurt the City.

Macias  
Comments

Mr. Dennis Chiappetta of Athens' Services addressed the Workshop presenting the Scope of Services for Azusa and responded to the following: Long Term Disposal, MRF Processing, Diversion, AB 939 Diversion, SB 1016 Projecting, AB 939 Indemnification, Yard Waste, Food Waste, Rate Comparison, and Community Involvement.

Recess  
Reconvene

Workshop  
Solis Waste  
C. Kalscheuer  
Comments

Discussion was held regarding the presentation and language in the contract to close gaps in diversion and address residential rate spikes, the litter in alleyways, possibility of an additional MRF in the area; Athens was invited to attend a City Council on the Move meeting.

Moved by Board Member Rocha, seconded by Board Member Gonzales and unanimously\* carried to adjourn.

**TIME OF ADJOURNMENT: 8:39 P.M.**

D. Chappetta  
Athen's Disp

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**SECRETARY**

Discussion/  
Direction

**NEXT RESOLUTION NO. 08-C7**

Adjourn

**\*Indicates Hanks absent.**