



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, NOVEMBER 22, 2010 – 6:30 P.M.

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

Chairman Gonzales called the meeting to order.

Call to Order

ROLL CALL

Roll Call

PRESENT: BOARD MEMBERS: GONZALES, CARRILLO, MACIAS, HANKS, ROCHA
ABSENT: BOARD MEMBERS: NONE

ALSO PRESENT:

Also Present

City Attorney Ferre, City Manager Delach, Assistant City Manager Makshanoff, Director of Utilities Morrow, Assistant to the Director of Utilities Kalscheuer, Business Development/Public Benefits Coordinator Reid, Assistant Director of Electric Operations Langit, Captain Momot, City Clerk Mendoza, Deputy City Clerk Toscano.

PUBLIC PARTICIPATION

None.

Pub Part
None

UTILITIES DIRECTOR COMMENTS

Dir Comments

Director of Utilities Morrow provided information regarding upcoming item regarding an update on a Power Sales Agreement between the City and the Southern California Public Power Authority for the La Paz Solar Tower Project. He also provided an update on the San Juan project and alternatives.

Dir of Utilities
Comments

UTILITY BOARD MEMBER COMMENTS

Brd Mbr Cmts

Moved by Board Member Carrillo, seconded by Board Member Hanks and unanimously carried to approve a Certificate of Gratitude from the City of Azusa to Mr. Bill Baca, field Representative for Senator Gloria Romero, to be awarded at the December 6th City Council Meeting.

Cert of Recog.
B. Baca

Board Member Rocha wished all a Happy Holidays and safe Thanksgiving.

Rocha Hpy Hol

Chairman Gonzales asked that the Utility Board Meeting of December 27, 2010, be cancelled in light of the Holidays. City Attorney Ferre responded stating that no vote was needed, only direction to Staff in order to post the notice of cancellation of the meeting.

Gonzales
Cancel Mtg

The **CONSENT CALENDAR** consisting of Items D-1 through D-4, were approved by motion of Board Member Carrillo, seconded by Board Member Hanks and unanimously carried. Hanks abstained from Minutes. Consent Cal Appvd

1. The minutes of the regular meeting of October 25, 2010, were approved as written. (Hanks abstn) Minutes
2. Approval was given for the selection of Applied Engineering Concepts (AEC) to perform maintenance on seven outdoor vacuum circuit breakers at the Azusa Substation 12kV East in amount not-to-exceed \$16,660. Circuit Breaker Maint AEC
3. Approval was given for the purchase of a new 40' insulating hydraulic aerial service truck for Electric Division and the bid was awarded to Terex Utilities Incorporated in amount not-to-exceed \$ 124,984.40 including tax. Pur Aerial Svs Truck
4. Approval was given for the lease of City owned property at the Heck Reservoir on San Gabriel Canyon Road and the City Manager was authorized to enter into and sign the communication lease agreement with T-Mobile. Site Lease T-Mobile

SCHEDULED ITEMS

Sched Items

Net Generator Payment Schedule.

Net Generator

Assistant to the Director of Utilities Kalscheuer presented the background information regarding the item and stated that staff is proposing a "net" solar energy buy-back rate of 9.041 cents per kWh for FY11. The rate equals AL&W's average power supply cost for FY11 and rate applies only if customers generate more than they consume over a 12 month period and rate would be administratively recalculated based on future fiscal year budgets. He responded to questions posed by the Board Members.

C. Kalscheuer
Comments

Board Member Hanks offered a Resolution entitled:

A RESOLUTION OF THE AZUSA UTILITY BOARD OF THE CITY OF AZUSA, AMENDING AZUSA LIGHT & WATER'S RULES AND REGULATIONS TO INCLUDE A NET GENERATOR PAYMENT SCHEDULE FOR ELECTRIC UTILITY CUSTOMERS.

Res. 10-C88
Amend L&W
Rules/Regs
Include Net
Generator
Payment
Schedule

Moved by Board Member Hanks, seconded by Board Member Rocha 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, ROCHA
NOES: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS:

Modification of Distributed Solar Program in Compliance with State Senate Bill 1 (SB1).

Solar Pgrm

Business Development/Public Benefits Coordinator Reid addressed the item stating that in 2006 Senate Bill 1 was adopted to make available up to \$3 billion in solar rebates over ten years to promote distribution solar in California. Azusa's share of the state rebate goal is \$3 million or about \$3000K per year. In June 2006, Utility Board approved implementation of a solar rebate program in compliance with Senate Bill 1. Since program inception, Azusa has paid \$330K in rebates for 83 KW of production. Current rebate reservations total \$403K for about 125 KW of solar power. He talked about the Solar Rebate Levels and Other Program Updates. He responded to questions posed by Board Members.

P. Reid
Comments

Moved by Board Member Carrillo, seconded by Board Member Macias and unanimously carried to approve the updated Solar Partnership Program, which includes a 7% reduction in solar rebate level.

Solar Partner-
ship Program
Updated

Advanced Utility Meter Infrastructure and Smarter Grid Plan Development.

Smart Grid

Assistant Director of Electric Operations Langit presented the subject item providing background information regarding the Smart Meters also called “AMI” or Advanced Metering Infrastructure which allow 2 way communications between meter and utility. Uses include enhanced customer service, tamper detection, power quality monitoring, outage management, load forecasting, etc. He stated that there is a need to obtain outside expertise for the complex activity. The Scope of work would evaluate various facets of plan development.

F. Langit
Comments

Moved by Board Member Hanks, seconded by Board Member Carrillo and unanimously carried to approve the Request for Proposals (RFP) scope of work for Advanced Utility Meter Infrastructure and Smarter Grid Plan, and authorize staff to finalize and issue the RFP to solicit proposals.

RFP Smarter
Grid Plan
Appvd

Agency Agreement Between Financing Authority for Resource Efficiency in California (FARECal) and the City of Azusa.

FARECal

Director of Utilities Morrow presented the FARECal (Financing Agency for Resource Efficiency in California) item providing background that it was formed in 1993, it is a Joint action agency under California law, they have the authority to issue debt for utility projects of which Azusa has outstanding indebtedness. California Municipal Utilities Association is the administrator and Treasurer for FARECal and has requested that Azusa assist them by providing and overseeing auditing and accounting of FARECal and staff would like to issue an RFP for the services.

G. Morrow
Comments

Moved by Board Member Carrillo, seconded by Board Member Hanks and unanimously carried to approve the Agency Agreement between FARECal and the City of Azusa and authorize staff to issue a Request for Proposal (RFP) on behalf of FARECal for auditing, accounting and record-keeping services, in compliance with the agreement.

Agmt
w/FARECal
And RFP
Auditing Svcs

STAFF REPORTS/COMMUNICATIONS

Staff Rpts

Assistant Director of Electric Operations Langit presented the Electric Vehicle Opportunities and Challenges detailing the potential impact EV may have on the Azusa Light & Water. He stated that there will be increased electricity demand in existing residential homes or businesses, potential upgrades of existing electric facilities serving the premises of EV owners when multiple EV chargers are used concurrently within the area, utilities Rules & Regulation pertaining to sale of electricity solely used for EV charging, advanced metering and accounting of EV charging consumption, integration of EV in the overall development of smarter electronic distribution system and potential economic development for cities that embrace EV. Discussion was held between staff and Board Members regarding potential impacts. He stated that staff will continue to work to develop EV charging policies, return to Utility Board early in 2011 with recommendation issues which will include whether to separately meter, whether to establish a special rate to encourage off peak charging, AL&W’s role, if any, in installing home charging equipment, who pays for external electric system improvements if any, and promotion/funding of community charging stations.

Elect Vehicle
Opportunities

Assistant to the Director of Utilities Kalscheuer presented the Electric and Water Funds FY 2010-11 First Quarter Report summarizing first the Electric 1st quarter Statistics as follows: Sales at 26% of budget, Revenue at 28% of budget, Operating Expenses at 26% of budget, Capital Outlays at 6% of budget, Net “income” +\$571K (vs-\$3.1M FY budget), Debt Coverage of 8.8 (1.10 is min.), Cash of \$11.7M (\$12.6M min. target) and conclusion is modest progress. Water Summary 1st Quarter Statistics: Sales at 31% of budget, Revenues at 28% of budget, Operating Expenses at 21% of budget, Capital Outlays at 2% of budget, Net “income” +\$1.1M (vs-\$2.4M FY budget), Debt Coverage of 2.3 (1.5 min.), Cash of \$26.2M (\$25M min. target), Conclusion is all is well.

Electric &
Water
Quarter Report

Assistant to the Director of Utilities Kalscheuer presented the California Resource Connection River Walk and Compost Workshop Report stating that on January 25, 2010 the Utility Board approved a request to fund the two programs.

California
Resource
Connection
Programs
Update

The River Walk & Litter Clean-up was held on April 17, 2010 where the Clean-up was of a portion of the San Gabriel River, total event cost was \$31,912, AL&W share was \$7,400, attendance was 85 people aged 3-65 year old and 500 pounds of trash was collected.

River Walk
& Litter Clean-
up

The Backyard Composting Workshop was held on April 10, 2010 at the North Recreation Center, 77 people attended including 15 volunteers, the cost of the event was \$17,925, AL&W share was \$7,425, water conservation and composting education was provided and 55 composting bins were distributed.

Backyard
Composting
Workshop

Mr. Kalscheuer talked about the proposed Community Gardens and stated that information would be provided at another meeting.

Community
Garden

Moved by Board Member Carrillo, seconded by Board Member Hanks and unanimously carried to adjourn.

Adjourn

TIME OF ADJOURNMENT: 7:38 P.M.

SECRETARY

NEXT RESOLUTION NO. 10-C89.