



CITY OF AZUSA
MINUTES OF THE REGULAR MEETING
OF THE AZUSA UTILITY BOARD/CITY COUNCIL
MONDAY, FEBRUARY 27, 2012 – 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 Hanks called the meeting to order.

Call to Order

Ms. Peggy Martinez led in the Flag Salute.

Flag Salute

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 Makshanoff, Director of Utilities Morrow, Assistant to the Director of Utilities Kalscheuer, Assistant Director of Customer Service and Care Vanca, Assistant Director of Resource Management Lehr, Public Works Director/Assistant City Manager Haes, Assistant Director of Electric Operations Langit, Director of Economic and Community Development Christiansen, Police Captain Momot, City Clerk Mendoza, Deputy City Clerk Toscano.

PUBLIC PARTICIPATION

None

Pub Part
None

UTILITIES DIRECTOR COMMENTS

Dir Comment

Director of Utilities Morrow provided an update on the Palo Verde Nuclear Generating Station stating that it is largest in the United States, the second most productive in the world, it set the record for lowest outage in nuclear history, and contains no GHG.

Dir of Util
Palo Verde
Nuclear Plant

UTILITY BOARD MEMBER COMMENTS

Brd Mbr Com

Director Rocha invited all to attend Banner Hanging by Target Store for two servicemen serving in Afghanistan, Sunday at 9 a.m. He suggested the Azusa Senior Center as one of the sites for the automated trash pick up demonstration.

Rocha
Comment

The **CONSENT CALENDAR** consisting of Items D-1 through D-6, were approved by motion of Board Member Carrillo, seconded by Board Member Gonzales and unanimously carried with the exception of item D-2 which was considered under the Special Call portion of the Agenda. Consent Cal Appvd

1. The minutes of the regular meeting of January 23, 2012, were approved as written. Minutes appvd
2. **SPECIAL CALL ITEM.** Spec Call Item
3. Approval was given for the selection of De La Rosa & Co. to serve as underwriter to refund a portion of the long term debt issued by the water and electric utilities in 2003. Underwriters De La Rosa
4. Approval was given for the addition of \$10,000 to the blanket purchase order of Coastline Equipment, Inc. Coastline Equip. P.O.
5. Approval was given for the addition of 42 days to the time of completion, Project W-266A, Water Main Replacement in Hilltop Avenue in Azusa, and San Bernardino Road in West Covina and Los Angeles County and Workman Avenue in West Covina; Project was accepted and the City Clerk's Office was directed to execute the Notice of Completion and have the same recorded at the Office of the Los Angeles County Recorder. Project W-266A NOC 42 days add To complete
6. Approval was given to award a five year contract to Sequoia Financial Services for collection agency services for unpaid closed utility bills and property damages. Sequoia Fin Collection

SPECIAL CALL ITEM

2. Selection of Bond and Disclosure Counsel to Refund Water and Electric Utility Long Term Debt. Bond Cnsl

Discussion was held regarding the issue and the fact that there was only a \$5,000 difference between the low bidder and the City's legal Counsel Best Best & Krieger. Discussion

Moved by Board Member Macias, seconded by Board Member Rocha and unanimously carried to approve the selection of Hawkins, Delafield & Wood LLP to serve as bond and disclosure counsel to refund a portion of the long term debt issued by the water and electric utilities in 2003. Hawkins, Delafield & Wood LLP

SCHEDULED ITEMS

Initiation of AB 2514 Mandated Study of Applicability of Energy Storage System(s) for Azusa Light & Water. AB 2514

Assistant Director of Resource Management Lehr presented and detailed the item stating that in 2010 AB 2514 the Energy Storage Bill was signed into law which requires all electric utilities in California to undertake a study of the applicability of energy storage technologies. If technologies are cost effective, the utility must set goals for procuring and installing, and the study must be initiated by March 1, 2012 and completed by October 1, 2014. Lehr Comments

Moved by Board Member Carrillo, seconded by Board Member Macias and unanimously carried to authorize Azusa Light & Water to initiate a study of the feasibility and economics of procuring/installing energy storage systems, as required by California Assembly Bill 2514. Initiate Study Energy Storage System

STAFF REPORTS/COMMUNICATIONS

Assistant to the Director of Utilities Kalscheuer presented the Second Quarter Financial Report for Water Utility; Fiscal year-to-date cash flow positive at \$1.25 million. Water utility had a cash reserve of \$22.7 million. Quarterly sales equal to prior year but down 25% from FY07, and debt service coverage of 2.19. Regarding Electric there is a positive cashflow of \$2.2 million. Reserve level of \$13.9 million. (\$12.6 min) Debt coverage of 10.9 is good, and sales equaled prior year level, but down about 10% from three years ago. He responded to questions. C. Kalscheuer FY12 Mid Year Financial Report

02/27/12 PAGE TWO

Director of Utilities Morrow provided the Federal Legislative Report provided periodically by Morgan Meguire to SCPPA. The purpose is to monitor Federal legislation and regulations in water/energy areas. The Federal budget for FY 13 and general energy policy are key items.

Dir of Utilities
Federal
Legislation

Director of Utilities Morrow provided an update on the Water Supply. To date, LA areas has received 6.5 inches of rain and 16.3 is the historical average. Sierra snowpack is only 23% normal, State Water Project allotment has been reduced from 60% to 50%, key reservoirs in state are at high levels and Lake Mead is much improved.

Dir of Utilities
Update on
Water Supply

Director of Utilities Morrow provided an update on Electric Vehicle/Charging Station Update stating that L&W has solicited proposals for community electric vehicle charging stations and three bids were received. Plans include purchase of two electric vehicles by L&W for demonstration. Discussions ongoing with a vendor who may have grant funds for a couple of EV charging units.

Dir of Utilities
Electric Veh
Charging Stn

Discussion was held regarding Automated Trash Collection Workshops and staff advised that they would be developing a formal contract amendment and the workshops would be held at the Azusa Senior Center, North Recreation Center, and Edgewood Shopping Center.

Automated
Trash
Collection
Workshops

It was consensus of the Board Members to adjourn.

Adjourn

TIME OF ADJOURNMENT 7:14 P.M.

SECRETARY

NEXT RESOLUTION NO. 12-C18.

